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No. 94-1574

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1994

NICHOLAS KALIARDOS,

Petitioner,

v.

GENERAL MOTORS CORPORATION, BASF CORPORATION, H.B. FULLER COMPANY, H.B. FULLER AUTOMOTIVE PRODUCTS, INC., and DAUBERT INDUSTRIES, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENTS' GENERAL MOTORS, BASF AND FULLER BRIEF IN OPPOSITION

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RULE 14.1(a) QUESTIONS PRESENTED BY PETITIONER

1. Did the magistrate-judge in the trial court err in holding that the evidence produced by Plaintiff in response to Defendant's motion for summary judgment did not create a genuine issue of material fact concerning whether accused products infringed asserted claims, either literally or under the doctrine of equivalents, such as to require a full trial?
2. Did the trial judge in the trial court err in adopting the "Report and Recommendation" of the magistrate-judge and dismissing Plaintiff's action on the merits and by abusing his discretion in denying Plaintiff's motion for leave to supplement his responses with a test report of his expert and/or in not granting Kaliardos' request for an oral hearing?
3. Did the appeal court err in affirming the district court's dismissal of Plaintiff-Appellant's case concerning the evidence Kaliardos offered and the plain language and historical intent of the application of Federal Rule 56?
4. Is the federal judiciary using Rule 56 to rid their dockets of difficult cases and/or litigants and, if so, will such use of Rule 56 be allowed to continue?

PARTIES TO THE PROCEEDINGS RULE 14.1(b)

All the parties in the court below are identified in the caption of the Petition.

RULE 29.1 LIST OF PARENTS AND SUBSIDIARIES

General Motors Corporation's Rule 29.1 list is attached at Appendix D.

BASF Corporation's Rule 29.1 list is attached at Appendix E.

H.B. Fuller Company's Rule 29.1 list is attached at Appendix F.

H.B. Fuller Automotive Products, Inc. is a wholly-owned subsidiary of H.B. Fuller Company.

Daubert Industries, Inc.'s Rule 29.1 list of parents and subsidiaries appears in its separate Brief in Opposition to the Petition for Writ of Certiorari.

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"2. Did the trial judge in the trial court err in adopting the "Report and Recommendation" of the magistrate-judge and dismissing Plaintiff's action on the merits and by abusing his discretion in denying Plaintiff's motion for leave to supplement his responses witha test report of his expert and/or in not granting Kaliardos' request for an oral hearing?" 26

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TO THE HONORABLE SUPREME COURT:

The Respondents General Motors Corporation, BASF Corporation, H.B. Fuller Company and H.B. Fuller Automotive Products, Inc. respectfully request that this Court deny the Petition for Writ of Certiorari submitted by Petitioner Nicholas Kaliardos.

SUMMARY OF OPPOSITION TO CERTIORARI

The Petition for Writ of Certiorari should be denied. Summary judgment of noninfringement was properly granted and affirmed because of the admitted lack of evidence that is required by the substantive patent law to prove infringement of the claims of the patents-in-suit. There is no genuine issue of any **material** fact; rather, there is an admitted absence of material facts that are essential to Petitioner's prima facie case. Hence, "the plain language of Rule 56(c) [F.R.C.P.] mandates the entry of summary judgment." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 91 L.Ed.2d 265, 273, 106 S.Ct. 2548, 2552 (1986); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249-50, 91 L.Ed.2d 202, 212, 106 S.Ct. 2505, 2511 (1986) ("There is no issue for trial unless there is sufficient evidence favoring the nonmoving party for a jury to return a verdict for that party.")

Specifically, there are only two ways to prove infringement under the substantive patent law: (1) **literal** infringement; and (2) "**doctrine of equivalents**" infringement. First, to prove **literal** infringement, the patentee has the burden of showing that every single one of the elements specified in at least one of his patent claims is actually found in the accused product. *E.g., Builders Concrete, Inc. v. Bremerton Concrete Products Co.*, 757 F.2d 255, 257 (Fed.Cir. 1985). Petitioner Kaliardos' experts, however, admitted that at least some of the ingredients specified in his patent claims are **not** found in the accused coating products. Thus, there was insufficient evidence to support a jury verdict of **literal** infringement so that summary judgment was mandated.

Second, to prove infringement under the "**doctrine of equivalents,**" the patentee has the burden of showing that the accused product contains the same **or** the equivalent

of each ingredient specified in at least one patent claim **AND** that the accused product performs substantially the same function, in substantially the same way, to produce substantially the same result as the entire combination of ingredients specified in such patent claim. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609-10, 94 L.Ed. 1097, 1102, 70 S.Ct. 854, 856-57 (1950); *Builders Concrete, supra* 757 F.2d at 258. In addition, the patentee must explain, by substantial, comparative, **factual** evidence, how and why each of these three similarities exist. *Malta v. Schulmerich Carillons, Inc.*, 925 F.2d 1320, 1327, 1329 (Fed.Cir. 1991), *reh. den.*, 959 F.2d 923 (1992), *cert. denied*, 119 L.Ed.2d 566 (1992). Here, Petitioner Kaliardos' expert testified that he has **no factual evidence** showing that the function/way/results of the accused coatings are similar to the combinations specified in the claims of the patents-in-suit. Thus, there was insufficient evidence to support a jury verdict of infringement under the "**doctrine of equivalents**" so that summary judgment was mandated by Rule 56 F.R.C.P.

There is no such thing as Kaliardos' asserted "presumption of infringement." Under the substantive patent law, the patentee has the burden of proving infringement by a preponderance of evidence. *Smithkline Diagnostics Co. v. Helena Laboratories Corp.*, 859 F.2d 878, 889 (Fed.Cir. 1988); *Mannesmann Demag Corp. v. Engineered Metal Products Co.*, 793 F.2d 1279, 1282 (Fed.Cir. 1986). Petitioner Kaliardos' litany of discovery disputes and discovery motions are not material to the summary judgment decision which focuses on Kaliardos' failure to show all of the essential elements required by the substantive patent law to prove infringement. *Anderson*, 477 U.S. at 247-48, 91 L.Ed.2d at 211 (1986) ("Only

disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment. Factual disputes that are irrelevant or unnecessary will not be counted.")[1]

Petitioner Kaliardos' case is based upon his notion, without any factual evidence whatsoever, that General Motors automobile assembly plant personnel must have secretly added the ingredients which Kaliardos lists in his patented recipes into the drums of coating which G.M. purchases, before spraying the coating into automobile doors. Kaliardos simply does not believe the BASF records of the formulations it has used since 1953 to the present—nor does he believe the testimony and the numerous laboratory tests of his own experts—nor the Fuller and Daubert formulation and production records—nor the deposition testimony of numerous BASF, Fuller and General Motors past and present employees—nor the laboratory tests made by each of the Defendants. Yet, each clearly establishes that the accused coatings do not contain the ingredients set forth in his patent claims.

The magistrate-judge summed up Kaliardos' case as follows:

> My review of this record establishes that the formulas used by the defendants in manufacturing their coatings have repeatedly been shown not to contain the essential elements of the Kaliardos patents, through both the disclosure of the formulas and

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[1] Ironically, if BASF's accused coating actually did infringe, Kaliardos' patents would be invalid under 35 U.S.C. §102(b) because BASF's accused coating was "on sale" by BASF and in use by General Motors for many years before Kaliardos made his inventions and before the filing dates of his patent applications. *Lewmar Marine, Inc. v. Barient, Inc.*, 827 F.2d 744, 747 (Fed. Cir. 1987) ("That which would literally infringe if later in time, anticipates if earlier than the date of the invention.")

> scientific testing of those formulas. There is simply no evidence in this record which would create a genuine issue of material fact as to whether any of the accused products infringe upon Kaliardos' patents either literally or under the doctrine of equivalence. **Simply put, plaintiff's case is one that began with, and continues to rest upon, pure speculation and conclusion.** This is insufficient to withstand summary judgment. Accordingly, for the reasons stated, I respectfully recommend that the defendants' motions for summary judgment be granted and that this matter be dismissed. [emphasis added][2]

COUNTERSTATEMENT OF CASE

Petitioner Kaliardos' Statement of the Case and Statement of Facts omit most of the relevant facts. Therefore, Respondents state such relevant facts below.

Petitioner Kaliardos is appealing from the Federal Circuit's affirmance of the district court's grant, based upon the magistrate-judge's "Report and Recommendation," of three separate motions for summary judgment of non-infringement of Kaliardos' patents. These motions were brought by: (1) General Motors Corporation ("G.M.") and its supplier BASF Corporation, jointly; (2) Daubert; and (3) H.B. Fuller Company and its subsidiary H.B. Fuller Automotive Products, Inc., jointly ("Fuller"). This present Brief in Opposition to the Petition for Certiorari is submitted on behalf of General Motors, BASF and Fuller.

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[2]See attached Magistrate's Report and Recommendation, p. 26a, Res. App. A. Note that page numbers cited as "A-____," in this brief refer to the Appendix which was submitted to the Federal Circuit.

Kaliardos complains that anti-rust, wax-type coatings which have been used by General Motors in some of its model automobiles, and which have been supplied by the other parties, infringe Kaliardos' Patent Nos. 3,959,530 and 4,356,036. These two patents claim specific formulations or "recipes" for wax-type coatings. Each of the suppliers use different formulations or recipes which was the reason for their separate motions.

FACTUAL BACKGROUND

Starting in 1953, BASF (and its predecessors) supplied General Motors with a coating comprising a mixture of: (1) a synthetic wax; (2) a microcrystalline wax; (3) a hydrocarbon resin; and, (4) an aluminum particle pigment. These ingredients were dissolved in naphtha and mineral spirit solvents. The liquid coating was sprayed into the interiors of car doors and body parts of some, but not all, model cars. The solvents evaporated leaving a thin coating of wax-resin-pigment upon the metal surfaces to protect against moisture and rusting. BASF supplied that coating, substantially unchanged (i.e., except for slight changes in percentages of ingredients) to G.M. for about 34 years, from 1953 until 1987), when it discontinued the product. Kaliardos complains that that coating infringed his patents, even though that coating predates his patents by many years.

The BASF coating meets the requirements of G.M.'s performance specification, No. 998-1128, which describes the tests the coating must pass. (A-656-660)

In 1983, while still using BASF's aluminum colored coating, G.M. began using a "clear" coating (i.e., actually a tan colored coating wihout aluminum pigment) which was supplied by Daubert and others. Fuller began supply-

ing its formulation of the "clear" coating after August 1988. This coating must meet the requirements of G.M.'s performance specification No. 998-2150. Kaliardos asserts that the Daubert formulations infringe both of his patents and that the Fuller formulation infringes only the earlier '530 patent.

In 1972, about 19 years after G.M. began using the accused BASF coating, Nicholas Kaliardos, who was in the drycleaning business and who is a self-taught chemist, invented his first coating recipe, and filed the patent application which became the '530 patent-in-suit that issued May 25, 1976. Between 1973 and 1980, Kaliardos submitted a number of samples of different anti-rust coating formulations to the G.M. Fisher Body Division for performance testing. Mr. Kaliardos stated that "[M]any of the coatings which the plaintiff supplied [to G.M.] do not relate to the patents-in-suit." (Plaintiff's Response to Request No. 5, August 26, 1989). There is no evidence that any of the coatings that Kaliardos supplied contained the specific recipes set forth in his patent claims. The samples which he submitted did not meet G.M. specifications (G.M. engineer Reichel Dep., A-791). In 1980, G.M. advised Mr. Kaliardos that it would no longer test proposed samples because he "has yet to submit any material that would meet our specifications" (A-674).

In 1981, Kaliardos filed his second patent application which issued October 26, 1982 as Patent No. 4,356,036 ('036). The specification of this patent includes a copy of portions of G.M.'s earlier published specification No. 998-1128 which relates to the aluminum colored coating that had been supplied by BASF since 1953.

Regardless as to whether Kaliardos' samples did or did not meet G.M.'s specifications, Mr. Kaliardos' patented

formulations could not be used in an automobile manufacturing plant because his formulations include a large amount of a chlorinated solvent called perchloroethylene or tetrachloroethylene. This ingredient is required in both of his patents. Perchloroethylene is a dry-cleaner's spot remover and is "very important" to his formulation. Kaliardos' '036 patent (col. 8, line 31, A-50) states:

> "The use of perchloroethylene is very important because it cleans and dissolves any oil present on the surface and allows the coating to make good contact with the surface."

G.M. does not use any chlorinated solvents in coatings because the material is hazardous (G.M. engineer Reichel, A-799-800). Kaliardos' chemical expert Geeck testified that perchloroethylene is not permitted in an automotive plant because it is dangerous in large quantities (Geeck Dep., A-3326). Kaliardos' other chemical expert Strandbergh testified that perchloroethylene is toxic and is considered to be carcinogenic (Strandbergh Dep., A-864). Fuller's chemist testified "It's very irritating to the lungs and throat area." (Pellny Dep., A-744.)

Moreover, perchloroethylene costs about three to four times more than the naphtha solvent used by all of the Defendants (Edwards Dep., A-923; Fuller chemist Pellny Dep., A-774). In addition, perchloroethylene attacks and damages the paint that is used on cars. Therefore, it is not usable in a car (BASF analytical chemist Fujimoto Dep. A1029-30). Perchloroethylene, in the quantities required by Kaliardos' formulations, is detectable by its distinctive smell, according to Kaliardos' chemical expert (Epstein Dep., A-909).

There is no evidence that anyone has ever manufactured, purchased or used the coating formulations that are specified in any of the Kaliardos patent claims.

In 1980, when General Motors refused to test any more samples, Mr. Kaliardos concluded, without any factual support, that G.M. must be using his patented formulations. Hence, he wrote to G.M. in the early 1980's complaining of infringement.

In response, G.M. and BASF advised him that they were not using his formulation and, in 1984, they gave him a liquid sample of the BASF coating to test so as to satisfy himself that the BASF formulation was not the same as his patented formulations. Kaliardos had that material tested by a chemical laboratory in 1985. The laboratory reported that it did not find the ingredients of his patented formulations. Nevertheless, Kaliardos filed a complaint in the U.S. District Court in Detroit on September 14, 1988 against G.M. and BASF for patent infringement and alleged conspiracy and misappropriation of his proprietary information. The conspiracy and misappropriation count was dismissed by summary judgment for lack of factual support and as barred by the Statute of Limitations.[3]

PROCEEDINGS IN THE DISTRICT COURT

Discovery depositions were taken of six BASF chemists including: the chemist who originated the formulation of BASF's accused coating in 1953; the two chemists who successively were responsible for the formulation of the BASF coating; BASF's manager of technical services and quality control; BASF's research manager; and two BASF analytical chemists who performed analytical tests on BASF's accused coating. Kaliardos also took the depositions of a former BASF workman who had mixed

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[3]See magistrate-judge's "Report and Recommendation" of December 27, 1990, A-2337 and the district court's Order of June 5, 1991, A-2363). No appeal was taken from that Order.

BASF coatings and of six G.M. engineers and technicians. In addition, Kaliardos was supplied with all of the BASF formulation data from 1953 to 1987, including ingredients, percentages of ingredients, sources of ingredients, batch mixture records, and reports of chemical laboratory tests.

The Defendants took the discovery depositions of Mr. Kaliardos and of his chemical expert witness, David Byrd, who testified that he had re-tested the same 1984 sample that G.M. and BASF had given to Mr. Kaliardos and that he failed to find in that sample most of the ingredients listed in Kaliardos' patent claims. He hedged on his findings concerning perchloroethylene by stating in his written reports that he detected less than 5% perchloroethylene. However, when cross-examined at his deposition, he admitted that less than 5% was "another way of saying" that he found none (Byrd Dep., A-3002).

As a result of this discovery, on January 30, 1992 G.M. and BASF filed a joint motion for summary judgment of non-infringement. But, before decision, Kaliardos amended his complaint and brought in more supplier companies. He added Defendants Daubert, H.B. Fuller Company, National Starch & Chemical Corporation and Koch Fuels, Inc. Later, he added Beazer East, Inc. and H.B. Fuller Automotive Products, Inc. That resulted in further discovery which delayed the pending G.M./BASF motion for summary judgment.

On September 7, 1990, Koch Fuels was dismissed by summary judgment because it "had no involvement in the subject matter of this suit." Next, on November 12, 1991, National Starch's and Beazer's "Motion for Summary Judgment of Non-Infringement" was granted. They were dismissed because their coatings were found by the court not to infringe Kaliardos' patents, either

literally or under the doctrine of equivalents. That decision is reported at 777 F.Supp. 543 (E.D. Mich., 1991) (see attached copy at Appendix B). No appeal was taken by Kaliardos.[4]

In December 1991, Daubert and Fuller filed their separate motions for summary judgment of non-infringement, and G.M. and BASF, jointly, re-filed their motion for summary judgment of non-infringement. However, rulings were deferred until further discovery depositions were taken of Kaliardos' expert Byrd and of several other chemists who, by then, had been retained by Mr. Kaliardos to conduct more tests on the various coatings involved in this lawsuit. Samples of Fuller's coating, which has a different formulation than the coatings made by BASF or Daubert, were supplied to Kaliardos for these tests. Also, Kaliardos was given complete information about Fuller's formulations, production, etc. Similarly, Daubert supplied complete information concerning its formulations, its records of the contents of each of the batches of coatings it made, etc.

All of this resulted in Kaliardos' stipulation to an "Order Granting Partial Summary Judgment of Non-Infringement," dated October 16, 1992 (Appendix C). This Order held that certain of Kaliardos' patent claims were not infringed literally or under the doctrine of equivalents, and these claims were dismissed from the lawsuit. That left Kaliardos' complaint that: BASF, Daubert and Fuller coatings infringe claims 1 and 2 of

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[4] In its Opinion, the district court held that certain of the ingredients that are listed in Kaliardos' patent claims were required for either literal infringement or for doctrine of equivalents infringement because these ingredients were added to the claims by Kaliardos in order to secure approval of his patent (777 F.Supp. at pp. 545, 549, 29a-30a, 38a).

the '530 patent under the doctrine of equivalents; that BASF and Daubert coatings literally infringe claims 1, 5 and 6 of the '036 patent; and, that BASF and Daubert coatings infringe claims 1-6 of the '036 patent under the doctrine of equivalents.

The discovery depositions of Kaliardos' expert chemists Byrd and Geeck were no easy matter. They refused to answer numerous questions; they refused to produce test samples; and Byrd walked out of one deposition (which resulted in a motion to compel and an Order assessing sanctions for unilaterally terminating the deposition). A number of court hearings on motions to compel and court Orders were required to obtain meaningful information from them. Obtaining the facts from Kaliardos and his experts Byrd and Geeck dragged over a long period of time. On Defendants' request, the court ordered Byrd and Geeck to appear for the continuations of their depositions in the courthouse where a magistrate was available to immediately rule on their objections to deposition questions or refusals to answer them.

Finally, an oral hearing on the motions for summary judgment was conducted by the magistrate-judge on October 22, 1992. At that time Kaliardos' counsel and Defendants' counsel presented their oral arguments. No testimony was taken at the hearing.

On October 7, 1993, U.S. Magistrate-Judge Marc L. Goldman handed down his "Report and Recommendation" (Appendix A) which recommended that the district judge grant the three motions for summary judgment. Kaliardos filed objections. While his objections were pending, Kaliardos filed a motion for leave to file a belated supplement, comprising an unsworn test report prepared by his expert Byrd, to his responses to the motions for summary judgment of non-infringement. That report

related to tests conducted by Byrd on BASF coatings. In these tests, he mixed a number of additional ingredients into samples of BASF coatings and compared the modified BASF coating samples with each other. He did not compare them with the patented compositions. The district judge denied the motion, holding that the report was untimely and was unverified. Although not decided, it was apparent on its face that the report was unrelated to the issue of whether BASF's actual, unadulterated formulation was the same as the patented formulations. The report did not relate to either Daubert's or Fuller's coatings.

On March 30, 1994, the district court issued its "Order Accepting Magistrate-Judge's October 7, 1993 Report and Recommendation" granting the three motions for summary judgments (A-1) and issued a Judgment dismissing the lawsuit (A-3). Kaliardos appealed only from the district court's Order of March 30, 1994.[5] The Court of Appeals for the Federal Circuit affirmed the district court on November 22, 1994.[6]

Turning now to the patent claims-in-suit and the lack of evidence of infringement:

KALLIARDOS PATENT NO. 3,959,530[7]

Kaliardos asserts that claims 1 and 2 of the '530 patent are infringed by the BASF, Daubert and Fuller coatings. The claims read as follows:

"1. A cleaning and protective coating composition consisting essentially of a mixture of: wax residue

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[5] Copy attached to Petition at p. 48.

[6] Copy attached to Petition at p. 54.

[7] See copy at Kaliardos' Petition for Writ of Certiorari, p. 62.

such as paraffin and microcrystalline wax, *perchloroethylene*, petroleum distillate *having a boiling point ranging between 350° and 380° F* and, a nonionic surfactant such as nonylphenoxypoly(ethyleneoxy)ethanol and, a small amount of [N,N,N',N'-tetrakis(2-hydroxypropyl)ethylenediamine].

2. The composition set forth in claim 1 wherein said paraffin wax comprises at least 3%, said microcrystalline wax comprises at least 2%, said nonionic surfactant comprises at least 1% and said ethylenediamine comprises at least 1%."

The district court found, in the non-appealed decision granting National Starch's and Beazer's motion for summary judgment, that the italicized terms were changes that were made by Kaliardos in response to the Patent Office examiner's rejection and that "these changes were necessary to secure the patent" (see 777 F.Supp. at p. 545; Kaliardos file history, pp. 33-34, A-1619-1620).[8]

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[8]The absence of those necessary ingredients from the accused coatings is another reason why summary judgment of non-infringement is appropriate. The district court's unappealed decision that the italicized ingredients are necessary for infringement of the patent claims, due to the Patent Office prosecution history, is the law of the case. *Griffin v. M.D.O.C.*, 5 F.3d 186, 190 (6th Cir., 1993); *Arizona v. California*, 460 U.S. 605, 618, 75 L.Ed.2d 318, 333, 1031 S.Ct. 1382, 1397 (1993) ("As most commonly defined, the doctrine [of law of the case] posits that when a court decides upon a rule of law, the decision should continue to govern the same issues in subsequent stages in the same case.") See *Markman v. Westview Instruments Inc.*, 1995 U.S.App. LEXIS 7593, p. 21 (Fed.Cir., Apr. 5, 1995) ("construing and determining the scope of the claims in a patent is strictly a legal question for the court."

KALIARDOS PATENT NO. 4,356,036[9]

Kaliardos complains that BASF's coating and Daubert's coatings **literally** infringe claims 1, 5 and 6 and, also, infringe claims 1-6 of the '036 patent under the **doctrine of equivalents.** These claims read as follows:

"1. An anti-corrosion coating composition comprising a mixture of aluminum paste or zinc paste containing aluminum or zinc flakes and a solvent, microcrystalline wax, aromatic hydrocarbon resin *having a softening point, R and B, of 70° C.-140° C.*, chlorinated rubber *having a combined chlorine content of at least 66%*, **neutral barium sulfonate**, chlorinated solvent, aromatic hydrocarbon solvent and mineral spirits.

2. The anti-corrosion coating composition set forth in claim 1 wherein said composition comprises by weight:

aluminum paste or zinc	15-43%
microcrystalline wax	.5-4%
aromatic hydrocarbon resin	10-18%
chlorinated rubber	2-6%
neutral barium sulfonate	.5-1%
chlorinate solvent	7-23%
aromatic hydrocarbon solvent	22-32%
mineral spirits	1.3-4%

3. The anti-corrosion coating composition set forth in claim 1 wherein said composition comprises by weight:

aluminum paste	21-28%
microcrystalline wax	1.3-3.5%
aromatic hydrocarbon resin	7-23%
neutral barium sulfonate	.5-1%

[9]Copy at Petition, p. 77.

chlorinated solvent	7-23%
aromatic hydrocarbon solvent	23-42%
mineral spirits	1.3-3.5%

4. The anti-corrosion coating composition set forth in claim 1 wherein said composition comprises by weight:

zinc paste	15-43%
microcrystalline wax	.5-4%
aromatic hydrocarbon resin	10-18%
neutral barium sulfonate	.5-1%
chlorinated solvent	7-23%
aromatic hydrocarbon solvent	23-42%
mineral spirits	1.9-4%

5. The anti-corrosion coating composition set forth in claim 1 wherein said chlorinated solvent comprises perchloroethylene.

6. The anti-corrosion coating composition set forth in claim 1 wherein said aromatic hydrocarbon solvent comprises toluene and xylene.

The district court held that "[T]he italicized terms were changes made by the plaintiff in response to references cited by the P.T.O. These changes were necessary to secure the patent." (See 777 F.Supp. at p. 545.)[10]

KALIARDOS HAS NO EVIDENCE OF SIMILARITY OF FUNCTION/WAY/RESULTS

For infringement under the doctrine of equivalents, the patentee must prove by comparative factual evidence that the accused product, as a whole, has substantially

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[10]There is no evidence that the italicized terms are found in the accused coatings, which is another reason why summary judgment of non-infringement is appropriate.

the same function/way/results as the entire product that is specified in the patent claims **AND**, in addition, must separately explain how and why the function/way/results are the same. *Malta v. Schulmerich Carillons, Inc.*, *supra*, 925 F.2d at 1327. Kaliardos has presented no such factual evidence. There is no evidence in the record where anyone said or demonstrated or established in any way, whether by fact or even by opinion, that the BASF, Daubert, or Fuller accused coatings have substantially the same function/way/results as the coating compositions that are specified in the patent claims of either the '530 or '036 patents. To the contrary, Kaliardos' expert Byrd testified that he has no such evidence, as follows:

Q. Do you have any evidence to establish that any of the coatings of any of the defendants which are accused of infringements in this case perform substantially the same function in substantially the same way to produce substantially the same results as the compositions that are specified in the claims of Mr. Kaliardos' Patent No. 5,950,530?

A. THE WITNESS: I don't know.

Q. You don't know the answer to that question?

A. That's right. (A-3052-53)

. . . .

Q. Do you have any evidence to establish that any of the accused products of any of the defendants in this lawsuit perform substantially the same function in substantially the same way to produce substantially the same result as those of the composition of chemical ingredients specified in the claims of Mr. Kaliardos' Patent No. 4,356,036?

A. THE WITNESS: No. (A-3052)

With respect to the alleged infringement by Fuller of the '530 patent claims 1 and 2 under the doctrine of

equivalents, Kaliardos' expert Byrd affirmatively stated that the function/way/results are **not** the same:

Q. Is it fair to say that the H.B. Fuller material that you tested does **not** give the same **results** as the Kaliardos' patented formulations?
A. Yes.
Q. Is it fair to say that the H.B. Fuller material that you tested does **not** perform the same **function** as the Kaliardos' patented formulations?
A. Yes.
Q. And is it fair to say that the H.B. Fuller formulations that you tested do **not work** the same way as the Kaliardos' patented formulations?
A. Yes. (A-3026)

Further, Kaliardos, expert Byrd testified that he did not even conduct any comparative tests to determine whether any of the Defendants' coatings work in the same way (A-3049-50) or perform the same functions (A-3051) or produce the same results as the compositions specified in the claims of the '530 (A-3042) or the '036 patents (A-3042).

KALIARDOS' EXPERT TESTIFIED THAT BASF'S COATINGS DO NOT CONTAIN MOST OF THE INGREDIENTS SPECIFIED IN THE PATENT CLAIMS

Referring to the ingredients that are listed in **claim 1** of the **'530 patent**, Byrd testified that BASF's coating "Do not have a nonionic surfactant" (A-3015); that he did not find any nonylphenoxypoly(ethyleneoxy)ethanol in BASF's coating (A-3032); that he did not find any [N,N,N',N'-tetrakis(2-hydrocypropyl)ethylenediamine] in any BASF coating (A-3018, 3028, 3032); and that he did not find any petroleum distillate *having a boiling*

point ranging between 350° and 380° F in BASF's coating (A-3017). Further, initially he testified that he did not detect any *perchloroethylene* in BASF's coating (A-3004).

Referring to claim 2 of the '530 patent, Byrd testified that he never determined the amounts of the ingredients in any of the accused coatings of any of the Defendants (A-3064). He admitted that he does not have any evidence that BASF's accused coating contains the percentages of ingredients that are spelled out in claim 2 of the '530 patent (A-3062, 3063).

As to claims 1, 5 and 6 of the '036 patent, Kaliardos' expert Byrd testified that BASF's coatings do not have each of the claimed ingredients. More specifically, Byrd testified that he did not find in BASF's coating any aromatic hydrocarbon resin *having a softening point, R and B, of 70° C.-140° C* (A-3004). He testified that he did not find any chlorinated rubber *having a combined chlorine content of at least 66%* (A-3004); and he did not find any chlorinated solvent (A-3005). He testified that he did not find **neutral barium sulfonate** (A-3005); nor any barium sulfonate at all (A-3031, 3017). As to claims 2, 3 and 4 of the '036 patent, he did not even attempt to determine whether BASF's coating contained the percentages of the ingredients that are set forth in those claims (A-3064).

KALIARDOS' EXPERT BYRD TESTIFIED THAT THE FULLER COATINGS DO NOT CONTAIN ALL OF KALIARDOS' CLAIMED INGREDIENTS

Byrd testified that Fuller's coatings do not contain four of the five ingredients listed in Kaliardos' claims 1 and 2 of the '530 patent. The only common ingredient is wax. He said that "Fuller doesn't have perchloroethylene" (A-3260); Fuller's coating "Does not include a

small amount of [N,N,N',N'-tetrakis(2-hydroxypropyl)-ethylenediamine]" (A-3032); and, he testified that Fuller's coating does not include a "nonionic surfactant such as nonylphenoxypoly(ethyleneoxy)ethanol" (A-3262). Byrd also testified that he did not find in Fuller's coatings "petroleum distillate *having a boiling point ranging between 350 and 380 F*" (A-3261), which the district court held was "necessary to secure the patent." (See *Kaliardos v. General Motors*, 777 F.Supp. at p. 545.) With respect to claim 2 of the '530 patent, no evidence whatsoever was presented concerning any similarity of percentages of ingredients between Fuller's coatings and the amounts of ingredients specified in claim 2.

KALIARDOS' EXPERT GEECK TESTIFIED THAT DAUBERT'S COATING DOES NOT CONTAIN ALL OF THE CLAIMED INGREDIENTS

During discovery, Daubert made available its formulations, laboratory test reports and its batch manufacturing records, which identified each of the materials and the amounts of the materials mixed together to make Daubert's coatings. Kaliardos' expert chemist, Mr. Geeck, examined these materials and testified that "[E]xcept for the wax, Daubert coating formulations are not the same as the formulations specified in the claims of either Kaliardos' '530 patent and '036 patent" (Geeck Dep., A-3322, 3324). Additionally, Mr. Geeck testified that he did not find any ethylenediamine in Daubert's coatings (A-3302, 3303); nor did he find any petroleum distillate *having a boiling point ranging between 350 and 380 F* (A-3304); he did not find any [N,N,N',N'-tetrakis(2-hydroxypropyl)ethylenediamine] (A-3305, 3306, 3311); nor did he find any neutral barium sulfonate (A-3320, 3322); nor did he find any chlorinated solvents (A-3321). No evidence was presented to show that

Daubert's coatings contain the same percentages of ingredients that are specified in the Kaliardos patent claims.

EXCLUSION OF EVIDENCE

Kaliardos' Petition, at page 39, and elsewhere, refers to evidence concerning a Pontiac Grand Prix door and a laboratory analysis of the coating taken from the door. That evidence was excluded by the magistrate because of failure to identify what the material was or where it came from. It should not have been referenced by Petitioner in his brief. To explain, Kaliardos' expert Byrd, apparently unwittingly, tested a sample piece of the hard, blue-colored, epoxy adhesive which is used within Pontiac Grand Prix doors to "glue" the bent edges of the metal door panels together. Kaliardos had that sample piece additionally tested by another laboratory in California. Upon investigations by G.M., unrefuted affidavits were submitted to the magistrate with a motion to exclude the blue-colored sample and the tests concerning it. The unrefuted affidavits identified that sample as an epoxy adhesive, not a wax coating, and established that G.M. did not use wax coatings in that particular model car (Burton Affidavit, A-1492; Cantalin Affidavit, A-1495; Mayhem Affidavit, A-1480).

During his deposition, Kaliardos' expert Byrd admitted that he had known all along, and he had told Kaliardos, that the "blue" material was not the same as the tan colored coatings-in-suit and he admitted that the material was an adhesive (Byrd, A-3254, 3256). Since the magistrate excluded that material, it should not have been included in Kaliardos' petition.

ARGUMENT AGAINST CERTIORARI

The patentee has the burden of proving infringement, either literally or under the doctrine of equivalents, by a preponderance of evidence. *Smithkline Diagnostics Co. v. Helena Laboratories Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988); *Mannesmann Demag Corp. v. Engineered Metal Products Co.*, 793 F.2d 1279, 1282 (Fed.Cir. 1986).

To prove **literal** infringement, Kaliardos must present **factual** evidence showing that every single ingredient that is specified in the asserted patent claims is actually found in the accused coatings. *Builders Concrete, Inc. v. Bremerton Concrete Products Co.*, 757 F.2d 255, 257 (Fed. Cir. 1985). To prove infringement under the **doctrine of equivalents**, Kaliardos must provide substantial **factual** evidence showing: (1) that BASF's, Fuller's and Daubert's coatings contain either the same or an equivalent of each and every ingredient that is specified in the patent claims-at-issue; **AND**, (2) that the accused coatings perform substantially the same function, in substantially the same way, to produce substantially the same results as the coating formulations specified in such patent claims. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609-10, 70 S.Ct. 854, 856-57, 94 L.Ed. 1097, 1102 (1950); *Builders Concrete, Inc. v. Bremerton Concrete Products Co.*, 757 F.2d at 258; **AND**, (3) to explain by factual, comparative, evidence how and why the accused coatings have the same function/way/results as the combination of ingredients that are specified in the patent claims. That is the controlling patent law which Kaliardos must meet in order to defeat a motion for summary judgment. *Malta v. Schulmerich Carillons, Inc.*, 925 F.2d 1320, 1327, 1329 (Fed.Cir. 1961), *cert. denied*, 119 L.Ed.2d 566 (1992). The law is well settled. *Lear Siegler, Inc. v. Sealy Mattress Co. of*

Michigan, 837 F.2d 1422, 1425-26 (Fed.Cir. 1989). *Malta, supra,* 925 F.2d at p. 1329 explains:

> ". . .substantial evidence of comparison as to the function, way and result is required as part of the patentee's prima facie case of infringement under the doctrine [of equivalents]. Therefore, if the comparison evidence is not substantial, the issue may not be submitted to the jury.
>
> We have also held that the comparison as to each *Graver Tank* element must be made 'explicitly' and 'separately.'" *Lear Siegler,* 837 at 1425-26. Consequently, a jury verdict of infringement under the doctrine can only survive a motion for JNOV if substantial evidence was presented that explicitly and separately compares the function/way/result of the accused device with the function/way/result of the claimed invention to show that they are substantially the same."

If any one of the essential elements of proof of infringement is missing, summary judgment is mandated under Rule 56(c). It is not discretionary. *Celotex Corp. v. Catrett,* 477 U.S. 317, 322-23, 91 L.Ed.2d 265, 273, 106 S.Ct. 2548, 2552 (1986):

> "In our view, the plain language of Rule 56(c) mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial. In such a situation, there can be 'no genuine issue as to any material fact,' since a complete failure concerning an essential element of the non-moving party's case necessarily renders all of facts immaterial. The moving

party is 'entitled to a judgment as a matter of law' because the non-moving party has failed to make a sufficient showing on an essential element of her case with respect to which she has the burden of proof."

In *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 91 L.Ed.2d 202, 211, 106 S.Ct 2505 (1986), the Court stated the standard for summary judgment:

"Rule 56(c) of the Federal Rules of Civil Procedure provides that summary judgment 'shall be rendered forthwith if the pleadings, depositions, answers to interrogatories and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

. . .

By its very terms, this standard provides that the mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact. [emphasis in original]

. . .

As to materiality, the substantive law will identify which facts are material. Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment. **Factual disputes that are irrelevant or unnecessary will not be counted.** [emphasis added]

. . .

[T]here is no issue for trial unless there is sufficient evidence favoring the non-moving party for a

jury to return a verdict for that party. 477 U.S. at 249.

. . .

[T]he standard for summary judgment mirrors the standard for a directed verdict under Fed. R. Civ. P. 50(a). 477 U.S. at 250."

THE QUESTIONS PRESENTED FOR REVIEW BY APPELLANT KALIARDOS UNDER RULE 14.1(a)[11]

"1. Did the magistrate-judge in the trial court err in holding that the evidence produced by Plaintiff in response to Defendant's motion for summary judgment did not create a genuine issue of material fact concerning whether accused products infringed asserted claims, either literally or under the doctrine of equivalents, such as to require a full trial?"

It is clear that there was no genuine issue of material fact concerning the motions for summary judgment. There cannot be a genuine issue of material fact where the non-moving party, Kaliardos, failed to present some of the essential evidence to show literal infringement (i.e., the presence of every single claimed ingredient in the accused products) or infringement under the doctrine of equivalents (i.e., evidence of the presence of equivalent ingredients *AND* showing substantially similar function/way/results with explanations as to how and why). Hence, there was no error by the district court or the court of appeals which warrants the grant of certiorari. *Intellicall, Inc. v. Phonometrics Inc.*, 952 F.2d 1384, 1389 (1992) (summary judgment of non-infringement

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[11] **Note, the argument headings are reproductions of Kaliardos' four "Questions Presented for Review" in his Petition for Writ of Certiorari.**

properly granted where patentee failed to produce evidence of equivalency).

"2. Did the trial judge in the trial court err in adopting the "Report and Recommendation" of the magistrate-judge and dismissing Plaintiff's action on the merits and by abusing his discretion in denying Plaintiff's motion for leave to supplement his responses with a test report of his expert and/or in not granting Kaliardos' request for an oral hearing?"

The district judge stated that, "pursuant to 28 USC 636(b)(1)(B), Fed. R. Civ. Pr. 72(b), he conducted a de novo review of the magistrate's "Report and Recommendation," which found that Kaliardos lacks essential evidence. There is no showing as to exactly where or how he committed error in so doing.

Moreover, there was no abuse of discretion in denying Plaintiff's motion to supplement his responses with a test report which was untimely and not verified and, therefore, not in accordance with Rule 56(e). The court properly relied upon *Adickes v. S. H. Kress & Co.*, 398 U.S. 144, 158 n. 17 (1970) and *Fowle v. C&C Cola*, 868 F.2d 59, 67 (3rd Cir. 1989), which states:

> ". . .There was no compliance [by the expert's report] with Rule 56 (e) . . . the substance of the report was not sworn to by the alleged expert, therefore, the purported expert's report is not competent to be considered on a motion for summary judgment. See *Adickes v. S. H. Kress & Co.*, 398 U.S. 144, 158, 158 n.17, 90 S.Ct. 1598, 1608 n. 17, 26 L.Ed. 142 (1970) ('unsworn statement does not meet the requirements of Fed. Rule Civ. P. 56(e)')."

Further, there was no abuse of discretion in not granting Kaliardos' request for another oral hearing before

deciding the motions for summary judgment. Kaliardos had an oral hearing before the magistrate; he was not entitled to another oral hearing before the district judge. That question was definitively addressed in *United States v. Raddatz*, 447 U.S. 667, 673-74, 65 L.Ed.2d 424, 432-3, 100 S.Ct. 2406 (1980). Referring to 28 U.S.C. 636(b)(1)(B), *Raddatz* states that the district judge is required to "make a de novo determination of those portions of the [magistrate's] report or specified proposed findings or recommendations to which objection is made." And, "It should be clear that on these dispositive motions, the statute calls for a de novo determination, not a de novo hearing." Then *Raddatz* quotes from the House Report, H.R. Rep. No. 94-1609 (1976):

> The use of the words *'de novo determination'* is not intended to require the judge to actually conduct a new hearing on contested issues.

Raddatz summarizes:

> . . . . in providing for a *'de novo determination'* rather than a de novo hearing, Congress intended to permit whatever reliance a district judge, in the exercise of sound judicial discretion, chose to place on a magistrate's proposed findings and recommendations."

"3. Did the appeal court err in affirming the district court's dismissal of Plaintiff-Appellant's case concerning the evidence Kaliardos offered and the plain language and historical intent of the application of Federal Rule 56?"

The appeals court affirmed the district court's summary judgment dismissal because of the absence of essential evidence of infringement. As this Court stated in

Matsushita Electric Industrial Co., Ltd. v. Zenith Radio Corporation, 475 U.S. 574, 586-7, 89 L.Ed.2d 538, 552, 106 S.Ct. 1348 (1986):

> "When the moving party has carried its burden under Rule 56 (c), its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.
>
> . . .
>
> In the language of the Rule, the nonmoving party must come forward with specific facts showing that there is a genuine issue for trial."

Kaliardos made no such showing. Hence, there was no error in affirming the dismissal.

"4. Is the federal judiciary using Rule 56 to rid their dockets of difficult cases and/or litigants and, if so, will such use of Rule 56 be allowed to continue?"

Kaliardos misinterprets the purpose of Rule 56. The purpose is to rid the dockets of factually unsupported claims. Pertinent here is this Court's statements in *Celotex supra:*

> "One of the principal purposes of summary judgment rule is to isolate and dispose of factually unsupported claims or defenses, and we think that it should be interpreted in a way that allows it to accomplish this purpose (477 U.S. at 373)
>
> . . .
>
> The Federal Rules of Civil Procedure have for almost 50 years authorized motions for summary judgment upon proper showings of the lack of a genuine, triable issue of material fact. Summary judgment procedure is properly regarded not as a

> disfavored procedural shortcut, but rather as an integral part of the Federal Rules as a whole, which are designed 'to secure the just, speedy and inexpensive determination of every action.'
>
> . . .
>
> Rule 56 must be construed with due regard not only for the rights of persons asserting claims and defenses that are adequately based in fact to have those claims and defenses tried to a jury, but also for the rights of persons opposing such claims and defenses to demonstrate in the manner provided by the Rule, prior to trial, that the claims and defenses have no factual basis." (477 U.S. at 327)

This present lawsuit is utterly without factual foundation. This is the very kind of case for which summary judgment has been designed.

CONCLUSION

Respondents General Motors, BASF and Fuller respectfully ask this Court to deny Kaliardos' Petition for Writ of Certiorari.

Respectfully submitted,

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April 20, 1995

APPENDIX A

Magistrate's "Report and Recommendation"

[Filed Oct 7 '93]

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – FLINT

Civil No. 88-CV-73729-DT

NICOLAS KALIARDOS,

Plaintiff,

vs.

GENERAL MOTORS CORPORATION, BASF CORPORATION, DAUBERT INDUSTRIES, INC., H.B. FULLER COMPANY and H.B. FULLER AUTOMOTIVE PRODUCTS, INC.,

Defendants.

HON. PAUL V. GADOLA
HON. MARC L. GOLDMAN

REPORT AND RECOMMENDATION

This is an action claiming infringement of certain claims of United States Patents 4,959,530 ['530] and 4,356,036 ['036]. The defendants in this action are General Motors [GM] and three companies which supplied General Motors with anti-corrosive coatings for use on its automobiles, BASF Corporation, Daubert Industries, Inc., and H.B. Fuller Company. The pertinent facts are as follows.

BACKGROUND

In the late 1960's and early 1970's, the plaintiff, Nicholas Kaliardos, was engaged in the dry cleaning business. Sometime around 1971, Kaliardos began experimenting with the chemicals used in his dry cleaning business in an effort to develop an anti-corrosion wax coating for use on automobiles. He began this experimentation after being told that the Fisher Body Division of General Motors was looking for a coating for bare steel that would withstand salt spray. In the period between 1972 and 1981, Kaliardos submitted several samples of his products to the Fisher Body Corrosion Laboratory for testing. After each test, Fisher Body reported that the product did not meet GM Material Specification 998-1128. However, Kaliardos was never shown the test results. Curious about the performance of his product and suspicious of the conclusory test reports from Fisher Body, Kaliardos submitted his creations to independent laboratories for testing. Kaliardos claims that the results of these independent tests revealed that his coatings met GM's anti-corrosion requirements.

In 1974, Kaliardos submitted an anti-corrosion coating invention to the Patent and Trademark Office [PTO]. The Patent Office Examiner initially objected to the broad language in the proposed claims, and Kaliardos modified those claims to specifically define several of the terms. On May 25, 1976, Kaliardos was granted U.S. Patent 3,959,530 [The '530 patent]. Claim 1 to the '530 patent reads:

> A cleaning and protective coating composition consisting essentially of a mixture of:
>
> wax residue such as paraffin and microcrystalline wax, *perchloroethylens*, petroleum distillate *having a boiling point ranging between 350 degrees and*

380 degrees F. and a nonionic surfactant, such as nonylphenoxypoly (ethyleneoxy) ethanol, and a small amount of [N,N,N', N'-tetrakis (2-hydroxy-propyl) ethylenediamine].[1]

In both the patent application and an affidavit filed in connection with this case, Kaliardos explained the function of the various ingredients of his coating. The wax residue is waterproof and remains pliable in both cold and hot weather. Petroleum distillate, recommended as Solvent 140 in the patent language, acts as a carrier for the other ingredients, dissolving the wax once the wax is heated. The coating spreadability is improved by the surfactant, and the coating adheres better to the metal car body once the chelating agent is added. Finally, and most importantly according to Kaliardos, the perchloroethylene dissolves any oil remaining on the metal. This chlorinated solvent cleans the car body, helping the other coating materials to stick to the bare surface. "Sagging" had been a prevalent problem with other coatings, and Kaliardos claims that he eliminated sagging and flaking problems when he began using perchloroethylene in his experiments. Perchloroethylene was commonly used as a spot remover in the dry cleaning industry.

After receiving the '530 patent, Kaliardos began experimenting with weldable zinc and anti-corrosive coatings. He continued submitting his coatings for testing at the Fisher Corrosion Lab. In 1978, General Motors amended Material Specification 998-1128, and began requiring aluminum pigment, hydrocarbon resins, and a petroleum solvent in its anti-corrosion coatings. Kaliardos

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[1] **The underlined portions of the language indicate the changes that were made at the direction of the patent office in order to secure the patent.**

added aluminum to his coating to meet GM Material Specification 998-1128.

On October 26, 1982, Kaliardos was granted a patent for a new formula containing zinc or aluminum. Claim 1 to U.S. Patent No. 4,356,036 [the '036 patent] reads:

> An anti-corrosion coating composition comprising:
>
> a mixture of aluminum paste or zinc paste containing aluminum or zinc flakes and a solvent, microcrystalline wax, aromatic hydrocarbon resin *having a softening point, R and B, of 70C. - 140C.*, chlorinated rubber *having a combined chlorine content of at least 66%*, neutral barium sulfonate, chlorinated solvent, aromatic hydrocarbon solvent, and mineral spirits.

In the patent language, Kaliardos recommends using perchloroethylene as the chlorinated solvent and using toluene and xylene as the aromatic hydrocarbon solvents. Ingredients that were not part of the '530 patent, but were included in the '036 patent, include chlorinated rubber and aluminum or zinc paste. According to Kaliardos, he added the chlorinated rubber because it has a high resistance to acids and alkalies. He stated that without the ingredient, the coating would not pass the GM detergent test listed in the material specifications. The aluminum paste provided a silver pigment for the coatings and also forms a protective finishing layer over the other ingredients. Aluminum is apparently more effective than zinc because less of the material is required.

For many years prior to 1979 and continuing to the present, General Motors has used wax-type coatings to prevent corrosion on the inside surfaces of its auto-

mobiles.[2] Defendants BASF, Daubert, and Fuller, are among the several companies that supply GM with wax-type anti-corrosion coatings. BASF claims that it has manufactured an anti-corrosion coating since the 1960s, based on Canadian Patent 743,631 issued to Rebecca Sandretto, a former employee of a predecessor company, in 1966. Daubert has supplied GM with coatings since 1979. Fuller was not organized until August 1988, when it bought certain assets of the Widger Chemical Co., and the company has supplied coatings to GM since its inception.

In early 1980, before Kaliardos obtained the '036 patent, the Fisher Corrosion Lab notified Kaliaros that after seven years of testing his anti-corrosion products, they were discontinuing any further testing because none of Kaliardos' products had met GM's specifications. However, Fisher Body apparently relented and tested another coating. In an October 23, 1980 letter, Fisher Body informed Kaliardos that his aluminized sample did not meet the requirements of Specification 998-1128. Kaliardos was directed to make no further submissions.

In late 1982 or early 1983, after obtaining the '036 patent, Kaliardos contacted General Motors and began claiming that the anti-corrosion coatings provided by their suppliers and used on their vehicles infringed both his '036 and '530 patents. Kaliardos claimed that GM had directed its suppliers to manufacture coatings based on the samples and formulas that Kaliardos had provided for testing.

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[2]Other automakers were using an "oily wax" as early as 1975, but the thickness of the early coatings caused problems on the assembly line.

On September 14, 1988, after years of correspondence and testing, Kaliardos filed a complaint in the United States District Court for the Eastern District of Michigan, charging General Motors and BASF with patent infringement. In February 1990, Kaliardos added four other suppliers as defendants, including Daubert and H.B. Fuller.[3]

In 1991, after a lengthy period of discovery, the defendants filed motions for summary judgment. They asserted that plaintiff had failed to establish that the defendants had infringed his two patents either literally or under the doctrine of equivalents. In response to this motion, plaintiff submitted the affidavit of his expert, David Byrd, which purportedly established that the products used by GM and manufactured by the defendant did infringe plaintiff's patents. Because the affidavit contained information which contradicted testimony Byrd had given previously in depositions, a new round of discovery began.

Following completion of this new round of discovery, new motions for summary judgment were filed by the defendants. In response to these motions, plaintiff agreed to modify his claims. Plaintiff conceded that the coatings manufactured by BASF, Fuller, and Daubert do not literally infringe any of the claims of the '530 patent. He further conceded that the coatings of the above-named defendants do not infringe claims 3, 4, 5, and 6 of the '530 patent under the doctrine of equivalents. Thus, plaintiff continues to assert that GM has infringed all

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[3]Two of these new defendants, Beazer East Inc., and National Starch & Chemical Corporation, were granted summary judgment in a memorandum opinion and order entered by the Honorable Paul V. Gadola. *Kaliardos v. General Motors Corp.*, 777 F.Supp. 543 (E.D. Mich. 1991).

claims of the '530 patent, both literally and under the doctrine of equivalents, and that the rest of the defendants have infringed only claims 1 and 2 of the '530 patent under the doctrine of equivalents.

With respect to the '036 patent, plaintiff conceded that the Fuller coating does not infringe that patent under either theory. He also conceded that the BASF and Daubert coating do not literally infringe claims 2, 3, 4, and 7 of the '036 patent and, further, that they do not infringe claim 7 of the '036 patent under the doctrine of equivalents. Finally, plaintiff conceded that Daubert coating Nox-Rust X-170 does not infringe the '036 patent at all. An order granting summary judgment on these claims was entered by United States District Judge Paul V. Gadola on October 19, 1992.

As a result of this order, the following claims remain against each defendant:

1. BASF—Infringement under the doctrine of equivalents of claims 1 and 2 of the '530 patent. Literal infringement of claims 1, 2 and 7 of the '036 patent. Infringement under the doctrine of equivalents of claims 1-6 of the '036 patent.
2. DAUBERT—Infringement of claims 1 and 2 of the '530 patent under the doctrine of equivalents. Literal infringement of claims 1, 5 and 6 of the '036 patent. Infringement under the doctrine of equivalents of claims 1-6 of the '036 patent.
3. FULLER—Infringement of claims 1 and 2 of the '530 patent under the doctrine of equivalents.
4. GENERAL MOTORS—The claims against GM are derivative of those against the suppliers because GM is named as a user of the accused products. There is also an allegation that GM may have infringed the patents by adding chemicals to the

coatings after they had been delivered by the suppliers.

The defendants are requesting summary judgment with respect to each of these claims.

LEGAL PRINCIPLES

Rule 56(c) of the Federal Rules of Civil Procedure provides that summary judgment shall be granted if there is no genuine issue of material fact. The burden is first on the moving party to show that there is an absence of evidence to support the non-moving party's case. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Hines v. Joy Manuf.*, 850 F.2d 1146, 1149-50 (6th Cir. 1988); *Gregg v. Allen-Bradley Co.*, 801 F.2d 859,861 (6th Cir. 1986). Once the moving party presents sufficient evidence to support the motion, the burden shifts to the adverse party to set forth facts showing a genuine triable issue. *Fed.R.Civ.P.* 56(e); *Gregg*, 801 F.2d at 861.

Summary judgment should be granted against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case. *Celotex Corp. v. Catrett*, 477 U.S. at 325. In deciding the question, the court must bear in mind the quantum and quality of proof necessary to support liability at trial. The standard mirrors that governing a directed verdict under Federal Rule of Civil Procedure 50(a). The inquiry under each is the same: Whether the evidence presents a sufficient disagreement to require submission to a jury, or whether it is so one-sided that one party must prevail as a matter of law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 251-52 (1986). The nonmovant "must do more than simply show that there is some metaphysical doubt as to the material facts."

Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986). If the evidence put forward by the non-moving party is merely colorable, or is not significantly probative, summary judgment may be granted. *Id.* Similarly, speculation or hypothesis is not sufficient to create a genuine issue of material fact. *Boddy v. Dean*, 821 F.2d 346, 349 (6th Cir. 1987). With this standard in mind, I now turn to the legal principles which control in this case.

In his decision granting National Starch and Beazer's motions for summary judgment, Judge Gadola outlined the law of patents which is applicable to the case. *Kaliardos v. General Motors Corp.*, 777 F.Supp. 543 (E.D. Mich. 1991). Because this is the "law of the case" which must be followed in this report and recommendation, I will repeat it here.

> A patent is a federal statutory grant under 35 U.S.C. §101. The patent, to be protected, must comport with certain statutory requirements. Section 112 of Title 35 states in relevant party that:
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> > [A patent] specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
>
> 35 U.S.C. §112. The Federal Circuit has stated that "[t]he claims alone delimit the right to exclude; only they may be infringed." *Environmental Instruments Inc. v. Sutron Corp.*, 887 F.2d 1561, 1564 (Fed.Cir. 1989).
>
> In patent law, every element of the claim must be found in the accused product—either actually or by a substantially equivalent element—in order to find an infringement.

> [W]here the respondent in constructing his [product] omits one of the ingredients of the complainant's combination, he does not infringe the complainant's patent.

Pennwalt Corp. v. Durand-Wayland, Inc., 833 F.2d 931, 950 (Fed.Cir. 1987) [Nies, J., concurring], *cert. denied*, 485 U.S. 961, 1009, 108 S.Ct. 1226, 1474, 99 L.Ed.2d 426 (1988); *see also Lemelson v. United States*, 752 F.2d 1538, 1551 (Fed. Cir. 1985) ["the plaintiff must show the presence of every element or its substantial equivalent in the accused (product)"].

> Thus, the accused infringer . . . is entitled to summary judgement, on the ground of non-infringement, by pointing out that the patentee failed to put forth evidence to support a finding that [an element] of the asserted claim was met by the . . . accused [product]. *Johnston*, 885 F.2d at 1578.

Infringement may be shown in only two ways. First, if every single element of limitation in the claim is found in the accused product, there is *literal infringement. See Builders Concrete, Inc. v. Bremerton Concrete Produs. Co.*, 757 F.2d 255, 257 (Fed.Cir. 1985). Second, infringement can occur where the accused product has corresponding elements which perform substantially the same function in substantially the same way to obtain the same result. *See Graver Tank Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609-10, 70 S.Ct. 854, 856-57, 94 L.Ed. 2d 1097 (1950); *Builders Concrete*, 757 F.2d at 258. This second path to infringement is called the doctrine of *equivalents.*

The doctrine of equivalents will not extend to allow the patentee to recapture through equivalence certain coverage given up during prosecution of his

patent application. *See Pennwalt*, 833 F.2d at 934, n.1. Therefore, the language changed by the plaintiff in securing his patents is critical if the doctrine of equivalents infringement is pursued. This limitation is called *prosecution history estoppel.*

> Prosecution history estoppel, which precludes a patentee from obtaining a claim construction that would resurrect subject matter surrendered during prosecution of his patent application . . . limits a patentee's reliance on the doctrine of equivalents.

Builders Concrete, 757 F.2d at 258; *see also Jonsson v. Stanley Works*, 711 F.Supp. 1395, 1403 (N.D. Ohio 1989) ["Arguments and remarks made by plaintiff's counsel during prosecution of the patent application can also be used to determine the scope of the claims"], *aff'd.*, 903 F.2d 812 (Fed.Cir. 1990). Finally, a claimant may not "broaden his claim by dropping [an] element which he was compelled to include in order to secure his patent." *I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 443, 47 S.Ct. 136, 141, 71 L.Ed. 335 (1926).

In view of the issues remaining in this case, it is necessary to note in greater detail what is required of a plaintiff who is alleging infringement under the doctrine of equivalents. In *Lear Siegler, Inc. v. Sealy Mattress Co. of Michigan*, 873 F.2d 1422 (Fed. Cir. 1987), the court recognized that under *Graver Tank*, infringement under the doctrine of equivalents does not require complete identity for every purpose and in every respect, but does require substantial identity of the function performed, means by which the function is performed, and the result achieved. 873 F.2d at 1425. This substantial identity must be proven with respect to all three of these elements. As stated in *Lear Siegler*, 873 F.2d at 1425-26

[relying on *Nestier Corp. v. Menasha Corp.-Lewisystems Div.*, 729 F.2d 1576, 1579-80 (Fed.Cir. 1984)]:

> The party asserting infringement must present "*evidence* and *argument* concerning the doctrine and *each* of it *elements*" (emphasis added). The evidence and argument on the doctrine of equivalents cannot merely be subsumed in plaintiff's case of literal infringement.
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> * * *
>
> Absent the proper *Graver Tank* context, i.e., a showing of how plaintiff compares the function means and result of its claimed invention with those of the accused device, a jury is more or less put to sea without guiding charts when called upon to determine infringement under the doctrine . . . [*N*]*estier* requires that the three Graver Tank elements must be presented in the form of particularized testimony and linking arguments.

In *Lear Siegler*, the court found that there was no testimony broken down into the three *Graver Tank* elements as required by *Neistier*. Additionally, the court found that there was no argument linking the evidence elicited to the three elements of equivalence doctrine. The court therefore concluded that it has been error to submit the matter to the jury and that a judgment notwithstanding the verdict should have been granted. *Lear Siegler*, 873 F.2d at 1427.

The same analysis was utilized by the Federal Circuit in *Malta v. Schulmerich Carillons, Inc.*, 952 F.2d 1320 (Fed. Cir. 1991). In *Malta*, the court found that in the absence of "particularized testimony and linking argument as to each of the function/means/result prongs of the tripartite *Graver Tank* equivalency test," infringement under the doctrine of equivalents may not be found. *Id.* at 1327.

This type of analysis is equally applicable in motions for summary judgment. First, it must be noted that the same summary judgment standard is applied to patent claims as applied to other types of claims. *Avia Group Int'l. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1561 (Fed. Cir. 1988). In *London v. Carson Pirie Scott & Co.*, 946 F.2d 1534, 1536 (Fed. Cir. 1991), the court recognized that there can be no genuine issue of material fact where a party has failed to adduce proof to meet an essential part of the applicable legal standard. The court applied this principle in determining whether the plaintiff had created an issue of fact as to whether the defendant infringed plaintiff's patent under the doctrine of equivalents. The court found that in order to survive summary judgment, the plaintiff would be required to present some evidence showing that the defendant's product performed substantially the same function in substantially the same way to achieve substantially the same result. The absence of evidence on any one of these three elements would warrant a grant of summary judgment with respect to the claim of infringement. 946 F.2d at 1539-40. This standard is equally applicable to the case at bar.

In finding that there existed no genuine issue of material fact as to whether National Starch and Beazer infringed either of these two patents, the court stated that Kaliardos had failed to present any evidence showing that the ingredients used in these two defendants' products contained any one of the elements of plaintiff's claims. The court went on to note that, in prosecuting his patents, plaintiff had made changes in his applications in order to secure the patent. In the '530 claim, plaintiff had modified the coating so as to require a) perchloroethylene and b) petroleum distillate having a boiling point ranging between 350 degrees and 380 degrees

Fahrenheit. In the '036 patent, claim 1 was modified to require a) aromatic hydrocarbon resin having a softening point, R and B of 70C.-140C, and b) chlorinated rubber having a combined chlorine content of at least 66%.

The court went on to find that, in order to have literal infringment of claim 1 of the '530 patent, the challenged product would have to contain perchloroethylene, a nonionic surfactant and [N.N.N.',N'-tetrakis (2-hydroxypropyl) ethylenediamine]. In order for there to be infringement by equivalents of claim 1 of the '530 patent, the challenged substance would have to contain perchloroethylene.

For there to be literal infringement of claim one of the '036 patent, the accused substance would have to contain mixtures of aluminum paste or zinc paste or equivalent mixtures, aromatic hydrocarbon resins having softening points, R and B, of 70 degrees C.-140C., chlorinated rubber having chlorine content of at least 66% and aromatic hydrocarbon solvents or chlorinated solvents. In order for there to be infringement by equivalents of the '036 patent, the aromatic hydrocarbon resins and chlorinated rubber with chlorine content of at least 66% was considered essential. These findings by Judge Gadola are applicable to this report under the law of the case doctrine and will be applied here. *See Griffin v. MDOC*, No. 91-1523, 1993 U.S. App LEXIS 24392 (6th Cir. September 23, 1993).[4]

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[4]While the law of the case doctrine is generally applied to decisions of a lower court that have been decided on appeal, the doctrine would seem to be applicable in this case, where a district judge has made findings on issues later presented to a magistrate judge.

ANALYSIS

Plaintiff's responses to the motions for summary judgment are difficult to analyze because his claims have evolved over time. Indeed, his factual and legal arguments have evolved greatly since the court's decision on the Beazer and National Starch motions. Analysis is further complicated by the fact that the evidence put forward by the plaintiff is inconsistent in the sense that tests performed on the same substances over a period of years have produced differing results. This has resulted in conflicting affidavits being filed by plaintiff's primary expert, David Byrd.

In analyzing the evidence in this case for the purpose of resolving the motions for summary judgment, the court must be mindful of the nature of the evidence presented by the opposing parties. The defendants have submitted affidavits, deposition testimony, and documents showing that the products that they were producing and selling to GM did not infringe upon plaintiff's products either literally or under the doctrine of equivalents.

In response, the plaintiff and his expert have analyzed what they believed were sealants from six GM car doors selected at random from a junkyard to determine whether the sealants in those cars infringed on plaintiff's patents. Unfortunately, plaintiff's inability to identify the materials tested, their confusion over the cars from which the doors were taken, and their inability to identify the producers of the particular sealants found on the doors have increased the difficulty in evaluating the evidence.

The best that can be said for plaintiff's evidence in opposition to the motions for summary judgment is that it is muddled and difficult to comprehend. In light of this

state of the record, I believe that the clearest way to analyze whether there exists a genuine issues of fact for trial is to examine the remaining allegations against each defendant individually to determine what, if anything, remains as a legitimate factual issue requiring jury determination.

BASF

As noted above, plaintiff claims that BASF's S51Z001 wax coating has infringed claims 1 and 2 of the '530 patent under the doctrine of equivalents and has infringed the '036 patent both literally and under the doctrine of equivalents. BASF claims that it has used a single anti-corrosion coating formula, which it has occasionally altered, since the early 1960's. As of September 3, 1976, the formulation for BASF's S51Z001 wax coating was listed as follows:

VM&P Naptha—54.66%
Mineral Spirits—7.79%
High melting point wax—.60%
Petroleum hydrocarbon resin—23.39%
Aluminum flake powder—2.12%
Microcrystalline wax—11.44%

Sometime prior to January 31, 1984, hydrocarbon resin was substituted for petroleum resin, and leafting aluminum flake paste was substituted for leafing aluminum powder. BASF substituted No. 2429 Naphtha for VM&P Naphtha in May 1982, but switched back to the VM&P Naphtha in August 1982. The aluminum paste used by BASF includes trace amounts of stearic acid, which can act as both a surfactant and a chelating agent.

According to BASF, the formula is based on a patent for an anti-corrosion coating issued in Canada to Rinshed-

Mason Company[5] employee, Rebecca Sandretto. The Sandretto patent lists as ingredients: Microcrystalline wax, a hydrocarbon solvent [VM&P Naphtha is recommended], pigment [Aluminum, iron and other metals are suggested], and a petroleum resin [petroleum resin is a hydrocarbon resin].[6]

In November 1984, GM provided Kaliardos with a can of a liquid sample of BASF's coating for testing. Chemical Industrial Services, Inc. [CIS] tested the sample, and in a report dated January 29, 1985, CIS stated that the sample did not contain perchloroethylene, which is necessary for infringement of the '530 patent. The test also failed to disclose the presence of chlorinated solvent or chlorinated rubber, which would be necessary for infringement of the '036 patent. The test also found Naphtha, which is primarily an aliphatic solvent, rather than an aromatic hydrocarbon solvent. VM&P Naphtha will not dissolve Parlon, the chlorinated rubber suggested by Kaliardos in the '036 patent. Byrd Dep. pp. 134-135.

On May 8, 1988, David Byrd submitted results from a test conducted on the same sample of BASF coating. The test results showed a quantity of less than 5% perchloroethylene or other chlorinated solvents. However, Byrd later testified that this finding was the equivalent of no detection at all. The test also did not detect chlorinated rubber.

In October 1989, David Byrd again tested a sample of BASF coating on different machinery and issued the following findings concerning the substances contained in the coating:

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[5]It appears that Rinshed-Mason was purchased by Inmont Corporation, which itself was later purchased by BASF.

[6]Exhibt 15, Defendants' Motion for Summary Judgement.

Microcrystalline wax–present
Hydrocarbon resin–present
Chlorinated rubber–present
Aluminum–present
Zinc–not detected
Barium–present trace
Surfactant–present
Perchloroethylene–present

On January 2, 1990, Kaliardos gave Clayton Environmental Consultants a sample of the same BASF coating and a sample of sealant allegedly taken from the doors of a 1983 Oldsmobile Ciera. Gas chromatrography/mass spectrometry tests performed at Clayton's Novi laboratory detected aromatic compounds in both samples, but did not detect tetrachloroethane.[7] Clayton then sent a sample to their Windsor laboratory for static headspace analysis by gas chromatography using an electron capture detector [GC/ECD]. The presence of a very small amount of tetrachloroethane was detected by the test.[8] Finally, on October 19, 1992, mere days before the motion for summary judgment was argued, Mr. Byrd submitted another affidavit stating that further tests on the BASF

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[7]Tetrachloroethane is another name for perchloroethylene.

[8]There is some question as to what was actually tested at the Windsor laboratory. According to Daryl Strandbergh, the director of the Novi lab, he sent over a liquid material in a sealed test tube to Windsor. This would indicate that the material sent was from the sample submitted by GM. Paul Epstein, the director of the Windsor lab testified that the substance that was tested was solid and gummy in texture which would seem to indicate that it was the sample taken from the Ciera. The chemist conducting the test, Paul Johnson later filed an affidavit stating that the substance that he tested was a liquid, rather than a solid substance. The defendant's motion to strike all of these affidavits, because of the inability to identify the substance tested, was denied.

liquid material disclosed the presence of 1,1 dichloroethene and certain aromatic solvents.

BASF has submitted the affidavit and deposition of Tommie Bemis, who formulated the BASF product for 23 years. He stated that BASF has never used perchloroethylene, any other chlorinated solvent, chlorinated rubber, zinc, or neutral barium sulfate in its product. BASF has also submitted the affidavit of Rebecca Sandretto, the holder of the Canadian patent on the BASF product who states that her invention did not contain perchloroethylene. Finally, BASF relies on the CIS tests which revealed no perchloroethylene in the substance.

To the extent that plaintiff asserts that the BASF product literally infringes the '036 patent, I must conclude that the defendant is entitled to summary judgment. In order for there to be a literal infringement of claim 1 of the '036 patent, every single element of limitation must be found in the accused product. The '036 patent requires that there be, among other ingredients, neutral barium sulfonate. Here, even assuming that perchloroethylene was contained in the BASF product as found in some of plaintiff's tests, there is simply no evidence of any neutral barium sulfonate. Indeed, Mr. Byrd testified that while he did detect some barium in one of his tests, he never tested for neutral barium sulfonate. In the absence of any evidence of the presence of this required element of claim 1 of the '036 patent, it cannot be said that the plaintiff has met his burden of showing a genuine issue of fact with respect to literal infringement. Accordingly, summary judgment on this claim should be granted to BASF.[9]

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[9] Even if it could be said that there was sufficient evidence to create a genuine issue of fact on the claim of literal infringement of

[footnote continued]

The question of whether there exists a genuine issue of fact on the claim of infringement by equivalents of both patents revolves around the *Graver Tank* function/way/result analysis. As noted earlier, the Federal Circuit requires that there be explicit testimony and linking argument substantiating all three aspects of equivalency. *Lear Siegler*, 873 F.2d at 1425-26. Here, there is no such testimony. Indeed, when specifically asked whether any of the defendants products perform substantially the same function in substantially the same way to produce substantially the same results as plaintiff's two patents, Mr. Byrd testified that he had no evidence to support that conclusion. Indeed, he stated that he did not conduct any tests on any of the defendants' products to determine how their ingredients work in combination or whether they work the same way as plaintiff's products. In the absence of any evidence that the *Graver Tank* elements have been met in this case, BASF is also entitled to summary judgment on the claims of infringement of both the '036 and '530 patents under the doctrine of equivalents.[10]

DAUBERT

Daubert began developing a wax-type anti-corrosion coating in 1975, and they first started selling a product formulated to meet GM Specification 998-1128 in

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the '036 patent, there is no evidence that the components of the accused product meet the percentage requirements of the second claim of that patent.

[10]BASF and General Motors have also asserted that plaintiff's patents are invalid under 35 U.S.C. §102(b) since the "infringing" product was sold by BASF and used by General Motors more than one year before the dates of Kaliardos' patent applications. In view of my recommendation, this issue does not need to be resolved.

February 1979. Since 1979, Daubert has produced three different wax-type anti-corrosion formulas. NOX RUST X-151, which was used by the company from 1979 until 1986, combines:

Microcrystalline wax—16-21%
Polyethylene wax—.6-.8%
Hydrocarbon resin—14.5-16.5%
Lead sulfonate—.4-.6%
Colloidal silica—.7-1.2%
Aluminum paste—1.0-2.0%
VM&P Naphtha—6.2-59.0%

In 1986, the company discontinued manufacture of NOX RUST X-151 and started manufacturing a product without aluminum to meet GM Material Specification 998-2250, which was issued in 1983 and calls for a clear coating. This product, NOX RUST X-170,[11] combines:

Hydrocarbon resin—29.8-34.5%
Barium sulfonate—1.8-2.1%
Petroleum oil—6-7%
VM&P Naphtha—41.5-42.5%
Caster oil derivative—.5-1.6%
Colloidal silica—.4-1.5%
Petrolatum wax—8.5-10.5%
Microcrystalline wax—7.0-10.7%

Plaintiff contends that the NOX-RUST X-151 infringes the '530 patent under the doctrine of equivalents and the '036 patent both literally and under the doctrine of equivalents. He further contends that NOX-RUST X-170 infringes the '530 patent under the doctrine of equivalents. In support of this claim, plaintiff relies solely on

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[11] Daubert discontinued production of the NOX RUST X-170 in 1990 and began using NOX RUST X-175. The X-175 formula is not alleged to be infringing either of the patents.

tests conducted on the door of a 1984 Buick Skylark which he believes contained a Daubert sealant. Tests on that door detected chlorinated rubber and solvents but also detected zinc and no aluminum. A trace of perchloroethylene was also detected.

Defendants have submitted the results of tests conducted by the Shrader Laboratory on its door coatings which show that its coatings do not contain any chlorinated solvents. They also contend that plaintiff has failed to establish that the Skylark door contains any sealant manufactured by Daubert.

As noted above, the uncontested evidence shows that NOX-RUST X-170 was not manufactured until 1986. Daubert therefore contends that whatever is on the 1984 Skylark cannot be X-170. Daubert further notes that the test of the Skylark door disclosed zinc, but not aluminum. The uncontested evidence shows that NOX-RUST X-151 did not contain zinc, but did contain aluminum.

Because the Skylark was manufactured before 1986, the material on the door cannot be NOX-RUST X-170. Because the sealant contains zinc, but no aluminum, it cannot be NOX-RUST X-151. Thus, there is no evidence in this record to suggest that these Daubert sealants infringed plaintiff's patents either literally or under the doctrine of equivalents. I therefore recommend that Daubert's motion for summary judgment be granted.[12]

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[12]It should also be noted that any coating alleged to contain chlorinated rubber or aluminum cannot infringe the '530 patent either literally or under the doctrine of equivalents. Kaliardos stated in his application for the '036 patent that chlorinated rubber performs the important function of making the coating more resistant to detergents. I find that this additional ingredient in the

[footnote continued]

FULLER

Fuller manufactures two formulas that are named in this suit. The formula for WC-2291 lists:

Microcrystalline wax—15-30%
VM&P Naphtha (an aliphatic solvent containing small amounts of aromatics)—20-40%
Aliphatic oil (Hydro treated)—1-5%
Calcium sulfonate—5-10%
Paraffinic wax—5-10%
Aliphatic hydrocarbon resin—15-30%

A second product, WC-2291-P, is similar to WC-2291, but also contains mineral spirits.

Kaliardos claims that Fuller coatings WP-2291 and WP-2291-P infringe claims 1 and 2 of his '530 patent under the doctrine of equivalents. In support of this claim, David Byrd submitted an affidavit on October 19, 1992 stating that he detected the chlorinated solvent 1,1, dichloroethene and the aromatic solvents benzene, toluene, ethylbenzene and xylene in both the WC-2291 and WC-2291-P coating samples submitted by Fuller. Byrd also stated that he examined wax coatings taken from the doors of a 1987 Chevrolet Celebrity, a 1988 Oldsmobile Delta 88, and a 1991 Pontiac Grand Prix.[13] He stated that he found microcrystalline wax and perchloroethylene in the Celebrity and the Delta 88 and

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'036 patent materially affects the basic ingredient composition of the '530 patent. *Dow Chemical v. American Cyanamid Co.*, 615 F.Supp. 471 (E.D. La. 1985), *aff'd* 816 F.2d 617 (Fed. Cir. 1987). Similarly, the addition of aluminum in the '036 patent materially affects the composition of the '530 patent in that it is said to provide a hard shell as well as pigment.

[13] Plaintiff initially identified the Pontiac Grand Prix as a 1989 Cadillac Eldorado. After a great deal of discovery and expense, it has been properly identified.

found zinc and surfactants in the Grand Prix.[14] In his affidavit, Byrd also compares the ingredients of the '530 patent with the recipe for the Fuller WC-2291-P and concludes that the Fuller coating "has the ingredients or their equivalents of claim 1 of U.S. Patent No. 3,959,530."

In response, Fuller has submitted the affidavit of Michael Pellney, a chemist and the Technical Director for Fuller and before that, for Widger Chemical. Pellney states in his affidavit that there is neither perchloroethylene nor aromatic hydrocarbon solvents in the Fuller formulas, both of which are necessary to find infringement of the '530 patent under the doctrine of equivalents, pursuant to the law of the case. He further states that Fuller never manufactured or sold coatings containing the ingredients in Kaliardos' patents.

In addition, Fuller contends that the tests conducted on the doors of the 1987 Celebrity and the 1988 Olds Delta cannot be considered in opposition to its motion for summary judgment. This contention is correct. It should be remembered that Fuller did not begin manufacturing these coatings until 1989 and therefore, no coating by Fuller could possibly be on these vehicles.

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[14]The deposition testimony and affidavits regarding the 1991 Pontiac Grand Prix has been stricken by me in an order dated October 1, 1992. There was meager evidence in the record that this vehicle even contained a wax coating similar to those in issue here. Indeed the evidence seemed to indicate that Mr. Byrd tested an adhesive rather than a coating. Regardless, Byrd filed two affidavits, one stating that the Pontiac contained a Daubert coating, the other stating that it contained a Fuller coating. Plaintiff's inability to identify the source of the alleged sealant on the 1991 Pontiac door compelled the conclusion that it not be considered against any of the defendants.

Finally, as with the BASF motion, there is no showing, with the requisite specificity, that the accused product performs substantially the same function, in substantially the same way with substantially the same results as the patented substance. Indeed, Byrd's testimony at his deposition is to the contrary. He specifically stated that there is no evidence to meet and he has conducted no tests to estalbish the *Graver Tank* requirements. Therefore, I find that there is no genuine issue of fact for trial on the issue of infringement under the doctrine of equivalents and recommend that summary judgment be granted in favor of Fuller.

GENERAL MOTORS

General Motors was initially alleged to have infringed plaintiff's patents under 35 U.S.C. §271(a) as an unauthorized user or seller of the patented inventions. Because I have concluded that plaintiff has failed to meet his burden of creating a genuine issue of fact on the issue of infringement with respect to the three suppliers, summary judgment should also be granted in GM's favor. Plaintiff's secondary contention that GM *may* have modified the materials supplied by the other defendants so as to infringe on the patent is the exact type of speculative and conclusory argument which may not be deemed to create a genuine issue of fact for trial. *See Matsushita Elec. Indus. Co.*, 475 U.S. at 86; *Boddy*, 821 F.2d at 349. Accordingly, for the reasons stated with respect to the other defendants, summary judgment should be granted to General Motors.

CONCLUSION

My review of this record establishes that the formulas used by the defendants in manufacturing their coatings have repeatedly been shown not to contain the essential elements of the Kaliardos patents, through both the disclosure of the formulas and scientific testing of those formulas. There is simply no evidence in this record which would create a genuine issue of material fact as to whether any of the accused products infringe upon Kaliardos' patents either literally or under the doctrine of equivalence. Simply put, plaintiff's case is one that began with, and continues to rest upon, pure speculation and conclusion. This is insufficient to withstand summary judgment. Accordingly, for the reasons stated, I respectfully recommend that the defendants' motion for summary judgment be granted and that this matter be dismissed.

Pursuant to Rule 72(b) of the Federal Rules of Civil Procedure and 28 U.S.C. §636(b)(1), the parties are hereby notified that within ten days after being served with a copy of this recommendation, they may serve and file specific written objections to the proposed findings and recommendations. Further, either party may respond to another party's objections within ten days after being served with a copy thereof. The parties are further informed that failure to timely file objections may constitute a waiver of any further right of appeal to the United States Court of Appeals. *United States v. Walters*, 638 F.2d 947 (6th Cir. 1981).

/s/ Marc L. Goldman
MARC L. GOLDMAN
UNITED STATES MAGISTRATE JUDGE

Date: OCTOBER 7, 1993

APPENDIX B

District Court's Opinion Granting Summary Judgment Non-Infringement to Co-Defendants National Starch and Beazer East

[Kaliardos v. General Motors et al, 777 F.Supp. 543 (E.D. Mich. 1991)]

UNITED STATES DISTRICT COURT,
E.D. MICHIGAN, S.D.

No. 88-73729

NICOLAS KALIARDOS,

Plaintiff,

v.

GENERAL MOTORS CORPORATION, BASF CORPORATION, DAUBERT INDUSTRIES, INC., H.B. FULLER COMPANY, NATIONAL STARCH & CHEMICAL CORPORATION, and BEAZER EAST, INC., JOINTLY AND SEVERALLY,

Defendants.

Nov. 12, 1991

Alex Rhodes, Richard Knoll, Birmingham, Mich., for Nicolas Kaliardos.

Herbert Furman, General Motors Corp., Detroit, Mich., Bernard J. Cantor, Harness Dickey, Troy, Mich., for General Motors Corp., BASF Corp. and H.B. Fuller Co.

Ira S. Auslander, Auslander & Churilla, John A. A
William J. Schramm, Brooks & Kushman, Southfield, Mich., for Daubert Industries, Inc.

William G. Abbatt, Ernie L. Brooks, Brooks & Kushman, Bob Randenburg, Southfield, Mich., for Nat. Starch & Chemical Corp. and Beazer East, Inc.

MEMORANDUM OPINION AND ORDER GRANTING DEFENDANTS' NATIONAL STARCH & CHEMICAL CORPORATION AND BEAZER EAST, INC. MOTION FOR SUMMARY JUDGMENT ON COUNT 1, PATENT INFRINGEMENT

GADOLA, District Judge.

Plaintiff Nicholas Kaliardos filed this complaint on September 14, 1988, charging General Motors Corporation and BASF Corporation with infringing U.S. Patent Nos. 3,959,530 and 4,356,036. In February 1990 plaintiff added claims of infringement against National Starch & Chemical Corporation. In September 1990 plaintiff added claims of infringement against Beazer East, Inc.

The patents each relate to specific mixtures of chemical ingredients for wax-type, solvent-based, anti-rust coatings. Plaintiff accuses National Starch and Beazer of infringement by manufacturing and selling wax-type, solvent-basee coatings to General Motors. Defendants National Starch and Beazer now bring the instant motion for summary judgment on the patent infringement claims against them. For the reasons set forth below, the defendants' motion is granted.

FACTS

During the 1970's vehicle corrosion was a serious problem for automobile manufacturers. The plaintiff, a self-taught chemist, experimented with, tested and invented two wax-type, anti-corrosion coatings. Plaintiff submitted his inventions to the Patent and Trademark Office (PTO). After some language difficulties expressed by the Patent Office Examiner, plaintiff was granted U.S. Patent No. 3,959,530 and No. 4,356,036. Claim 1 to U.S. Patent No. 3,959,530 reads as follows:

> A cleaning and protective coating composition consisting essentially of a mixture of
>
> wax residue such as paraffin and microcrystalline wax,
>
> *perchlogoethylene*,
>
> petroleum distillate *having a boiling point ranging between 350 degrees and 380 degrees F.*, and
>
> a nonionic surfactant such as nonylphenoxypoly (ethyleneoxy) and
>
> a small amount of [N.N.N', N'-tetrakis (2-hydroxypropyl) ethylenediamine].

The italicized terms were changes made by the plaintiff in response to references cited by the PTO. These changes were necessary to secure the patent. Claim 1 to U.S. Patent No. 4,356,036 reads as follows:

> An anti-corrosion coating composition comprising
>
> a mixture of aluminum paste or zinc paste containing aluminum or zinc flakes and a solvent,
>
> microcrystalline wax,
>
> aromatic hydrocarbon resin *having a softening point, R and B, of 70 C.-140 C.*,

cholrinated rubber *having a combined chlorine content of at least 66%*,

neutral barium sulfonate,
chlorinated solvent,
aromatic hydrocarbon solvent and
mineral spirits.

Again, the italicized terms were changes made by the plaintiff in response to references cited by the PTO. These changes were necessary to secure the patent. Plaintiff asserts he invented the two wax-type, anti-corrosion coatings to specifically meet the requirements of General Motors Material Specifications 998-1128 and 998-2150. General Motors never accepted any of plaintiff's coatings for use.

From 1980 to the present, General Motors has used wax-type coatings on the inside surfaces of its automobiles. From the mid-1970s, Koppers, Inc. and Parr, Inc., predecessor companies to National Starch and Beazer, supplied General Motors with a wax-type coating, defendants' product No. 820-1913, that General Motors sprayed into the interior of car doors and other body parts. Two prototype batches of a dripless coating, defendants' product No. 820-1914, were made in 1987-88. Both of these products correspond to General Motors Material Specification 998-2150. According to defendants and their affiant Mr. Habjanic, no coating was supplied by National Starch, Beazer or any predecessor company that met General Motors Material Specification 998-1128. National Starch is the successor to a part of Beazer's business that used to supply coating No. 820-1913.

Plaintiff claims that General Motors received proprietary information from plaintiff during the testing process on his patented coating. Plaintiff further claims that

General Motors gave this information to National Starch and Beazer, among others, in order to duplicate and utilize the coatings without compensating the plaintiff. National Starch, Beazer and General Motors deny these allegations. Further, defendants' affiants Mr. Habjanic and Mr. Meilus state that the defendants' products No. 820-1913 and No. 820-1914 do not contain the identical nor the essential ingredients contained in the plaintiff's patented coatings. The plaintiff, in a sworn affidavit, disputes this last contention, further adding that "the ingredients or their equivalents which Mr. Habjanic represents are not present in Koppers 820-1913 and 820-1914 coatings are necessary for meeting the General Motors 998-1128 and 998-2150 Material Specifications."[1]

STANDARD OF REVIEW

Under Rule 56(c) of the Federal Rules of Civil Procedure, summary judgment may be granted "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." "A fact is 'material' and precludes grant of summary judgment if proof of that fact would have [the] effect of establishing or refuting one of the essential elements of the cause of action or defense asserted by the parties, and would necessarily affect [the] application of appropriate principle[s] of law to the rights and obligations of the parties." (Citation omitted.) *Kendall v. Hoover Co.*, 751 F.2d 171, 174 (6th Cir. 1984) (quoting Black's Law Dictionary 881 (6th ed. 1979)). The Court must view the evidence in a light most favorable to the

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[1] Kaliardos Affidavit at para. 13.

nonmovant as well as draw all reasonable inferences in the nonmovant's favor. *See United States v. Diebold, Inc.*, 369 U.S. 654, 655, 82 S.Ct. 993, 994, 8 L.Ed.2d 176 (1962); *Bender v. Southland Corp.*, 749 F.2d 1205, 1210-11 (6th Cir. 1984).

The movant bears the burden of demonstrating the absence of all genuine issues of material fact. *See Gregg v. Allen-Bradley Co.*, 801 F.2d 859, 861 (6th Cir. 1986). The initial burden on the movant is not as formidable as some decisions have indicated. The moving party need not produce evidence showing the absence of a genuine issue of material fact; rather, "the burden on the moving party may be discharged by 'showing'—that is, pointing out to the district court—that there is an absence of evidence to support the nonmoving party's case." *Celotex Corp. v. Catrett*, 477 U.S. 317, 325, 106 S.Ct. 2548, 2554, 91 L.Ed.2d 265 (1986). Once the moving party discharges that burden, the burden shifts to the nonmoving party to set forth specific facts showing a genuine triable issue. Fed.R.Civ.P. 56(e); *Gregg*, 801 F.2d at 861.

To create a genuine issue of material fact, however, the nonmovant must do more than present some evidence on a disputed issue. As the United States Supreme Court stated in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249-50, 106 S.Ct. 2505, 2511, 91 L.Ed.2d 202 (1986).

> There is no issue for trial unless there is sufficient evidence favoring the nonmoving party for a jury to return a verdict for that party. If the [nonmovant's] evidence is merely colorable, or is not significantly probative, summary judgment may be granted.

(Citations omitted); *See Catrett*, 477 U.S. at 322-23, 106 S.Ct. at 2552-53; *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87, 106 S.Ct. 1348,

1355-56, 89 L.Ed.2d 538 (1986). The standard for summary judgment mirrors the standard for a directed verdict under Fed.R.Civ.P. 50(a). *Anderson*, 477 U.S. at 250, 106 S.Ct. at 2511. Consequently, a nonmovant must do more than raise some doubt as to the existence of a fact; the nomovant must produce evidence that would be sufficient to require submission to the jury of the dispute over the fact.

Further, summary judgment is as applicable in patent cases as any other. As the Federal Circuit stated in *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1576 (Fed.Cir. 1989):

> As in other cases, the grant of summary judgment under Fed.R.Civ.P. 56 is appropriate in a patent case where no genuine issue of material fact exists and the movant is entitled to judgment as a matter of law.
>
> * * *
>
> [T]he motion of an accused infringer for judgment on the ground of non-infringement of a patent may be granted where the patentee's proof is deficient in meeting an essential part of the legal standard for infringement.

APPLICABLE LAW

A patent is a federal statutory grant under 35 U.S.C. §101. The patent, to be protected, must comport with certain statutory requirements. Section 112 of Title 35 states in relevant part that:

> [A patent] specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

35 U.S.C. §112. The Federal Circuit has stated that "[t]he claims alone delimit the right to exclude; only they may be infringed." *Environmental Instruments Inc. v. Sutron Corp.*, 877 F.2d 1561, 1564 (Fed.Cir. 1989).

In patent law, every element of the claim must be found in the accused product—either actually or by a substantially equivalent element—in order to find an infringement.

> [W]here the respondent in constructing his [product] omits one of the ingredients of the complainant's combination, he does not infringe the complainant's patent.

Pennwalt Corp. v. Durand-Wayland, Inc., 833 F.2d 931, 950 (Fed.Cir. 1987) (Nies, J., concurring), *cert. denied*, 485 U.S. 961, 1009, 108 S.Ct. 1226, 1474, 99 L.Ed.2d 426 (1988); *see also Lemelson v. United States*, 752 F.2d 1538, 1551 (Fed.Cir. 1985) ("the plaintiff must show the presence of every element or its substantial equivalent in the accused [product]").

> Thus, the accused infringer . . . is entitled to summary judgment, on the ground of non-infringement, by pointing out that the patentee failed to put forth evidence to support a finding that [an element] of the asserted claim was met by the . . . accused [product].

Johnston, 885 F.2d at 1578.

Infringement may be shown in only two ways. First, if every single element of limitation in the claim is found in the accused product, there is *literal infringement. See Builders Concrete, Inc. v. Bremerton Concrete Prods. Co.*, 757 F.2d 255, 257 (Fed.Cir. 1985). Second, infringement can occur where the accused product has corresponding elements which perform substantially the same function

in substantially the same way to obtain the same result. *See Graver Tank Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609-10, 70 S.Ct. 854, 856-57, 94 L.Ed. 1097 (1950); *Builders Concrete*, 757 F.2d at 258. This second path to infringement is called the doctrine of equivalents.

The doctrine of equivalents will not extend to allow the patentee to recapture through equivalence certain converage given up during prosecution of his patent application. *See Pennwalt*, 833 F.2d at 934 n.1. Therefore, the language changed by the plaintiff in securing his patents is critical if the doctrine of equivalents infringement is pursued. This limitation is called *prosecution history estoppel.*

> Prosection history estoppel, which precludes a patentee from obtaining a claim construction that would resurrect subject matter surrendered during prosecution of his patent application . . . limits a patentee's reliance on the doctrine of equivalents. . . .

Builders Concrete, 757 F.2d at 258; *see also Jonsson v. Stanley Works*, 711 F.Supp. 1395, 1403 (N.D.Ohio 1989) ("Arguments and remarks made by plaintiff's counsel during prosecution of the patent application can also be used to determine the scope of the claims"), *aff'd.*, 903 F.2d 812 (Fed.Cir. 1990). Finally, a claimant may not "broaden his claim by dropping [an] element which he was compelled to include in order to secure his patent." *I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 443, 47 S.Ct. 136, 141, 71 L.Ed. 335 (1926).

ANALYSIS

Plaintiff Kaliardos claims that National Starch and Beazer have infringed Claim 1 of each of his patents. However, plaintiff has not produced sufficient initial or rebuttal evidence to meet his burden of production.

In response to interrogatories asking plaintiff which of the products manufactured or sold by National Starch and/or Beazer infringes plaintiff's patents, plaintiff identified the product sold under General Motors Specification 998-1128. However, no sales of this product by National Starch or Beazer have been identified by the plaintiff.[2] In fact, the defendants' affiant states that no product sold by National Starch, Beazer or their predecessors matched General Motors Material Specification 998-1128.[3] If the defendants did supply General Motors with the coating it used under 998-1128, then plaintiff should have come forth with some hard evidence. The plaintiff states that he needs more time to effect discovery to retrieve this evidence. However, National Starch has been a named defendant for 20 months. Beazer has been a named defendant for over 13 months. Thus, this court is lead to the conclusion that there is either no link between the movants and 998-1128, or plaintiff has been extremely dilatory in his discovery. Either conclusion is fatal to plaintiff's case.

Further, the affidavits of Habjanic and Meilus state that National Starch's and Beazer's wax-type coatings do not include (a) perchloroethylene,[4] (b) nonionic surfactants,[5] (c) [N.N.N', N'-tetrakis (2-hydroxypropyl)

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[2]Plaintiff's Answer No. 17 to Defendant Beazer's First Set of Interrogatories; Plaintiff's Answer No. 7 to Defendant National Starch's First Set of Interrogatories.

[3]Habjanic Affidavit at para. 3.

[4]Habjanic Affidavit at para. 7 (referring to movants' product 820-1913); *id.* at para. 11 (referring to movants' product 820-1914); Meilus Affidavit at paras. 7 and 14 (referring to all movants' anti-corrosion coatings).

[5]Habjanic Affidavit at para. 9 (referring to movants' product 820-1913); Meilus Affidavit at para. 8 (referring to all movants' anti-corrosion coatings).

ethylenediamine],[6] (d) mixtures of aluminum paste or zinc paste or equivalent mixtures,[7] (e) aromatic hydrocarbon resins having softening points, R and B, of 70 degrees C.-140 degrees C.,[8] (f) chlorinated rubber having a combined chlorine content of at least 66%,[9] (g) aromatic hydrocarbon solvents,[10] or (h) chlorinated solvents.[11] Plaintiff has not put forth any proof that these affidavits are false or misleading. The only evidence plaintiff has offered is his own affidavit. The Plaintiff states that the ingredients of movants' products 820-1913 and 820-1914 listed in the attachments to the Habjanic Affidavit are accurate.[12] The plaintiff then points out that the ingredients in the movants' products are identified by their trademark names and not their chemical formulae.[13] The complainant continues:

> There are no disclosures in Attachments "A" and "B" of the ingredients in the trademarked products, their chemical formula [*sic*] or their percentages by weight.

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[6]Meilus Affidavit at para. 9 (referring to all movants' anti-corrosion coatings).

[7]Habjanic Affidavit at para. 12 (referring to movants' products 820-1913 and 820-1914).

[8]Meilus Affidavit at para. 10 (referring to all movants' anti-corrosion coatings).

[9]Habjanic Affidavit at para. 13 (referring to movants' products 820-1913 and 820-1914); Meilus Affidavit at para. 11 (referring to all movants' anti-corrosion coatings).

[10]Meilus Affidavit at para. 13 (referring to all movants' anti-corrosion coatings).

[11]Meilus Affidavit at para. 12 (referring to all movants' anti-corrosion coatings).

[12]Kaliardos Affidavit at para. 8.

[13]*Ibid.* at para. 9.

Kaliardos Affidavit at para. 10. While this is true, this does not refute the very clear statements made by Mr. Habjanic and Mr. Meilus. All this does is tell the court that the plaintiff does not know these trademarked products' chemistry. This bare statement does not indicate that the trademarked products used as ingredients in the movants' products contain any one of the elements in the patentee's claims.

Elements (a) through (c) are essential for literal infringement of Claim 1 to U.S. Patent 3,959,530. Element (a) is essential for equivalent infringement of Claim 1 to U.S. Patent 3,959,530. Elements (d) through (h) are essential for literal infringement of Claim 1 to U.S. Patent 4,356,036. Elements (e) and (f) are essential for equivalent infringement of Claim 1 to U.S. Patent 4,356,036. As not all elements are present in the movants products, patent infringement is not possible. Therefore, summary judgment in favor of the movants is proper. *Johnston*, 885 F.2d at 1578.

APPENDIX C

Order Granting Partial Summary Judgment of Non-Infringement

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Civil Action
Case No. 88-CV-73729-DT
HON. Paul V. Gadola

NICOLAS KALIARDOS,

Plaintiff,

vs.

GENERAL MOTORS CORPORATION, BASF CORPORATION, DAUBERT INDUSTRIES, INC., H.B. FULLER COMPANY, and H.B. FULLER AUTOMOTIVE INDUSTRIES, INC., jointly and severally,

Defendants.

ORDER GRANTING PARTIAL SUMMARY JUDGMENT OF NON-INFRINGEMENT

Upon stipulation of the Plaintiff Nicolas Kaliardos (Kaliardos) and the Defendants General Motors Corporation (General Motors); BASF Corporation (BASF); Daubert Industries, Inc. (Daubert); H.B. Fuller Company (Fuller Company); and H.B. Fuller Automotive Products (Fuller Automotive), by and between their respective counsel, IT IS HEREBY ORDERED:

1. The BASF, Fuller Automotive, and Daubert coatings do not literally infringe claims 1, 2, 3, 4, 5 and 6 of U.S. Patent No. 3,959,530.

2. The BASF, Fuller Automotive; and Daubert coatings do not infringe claims 3, 4, 5 and 6 of U.S. Patent No. 3,959,350 under the Doctrine of Equivalents.

3. Plaintiff's complaint with respect to infringement of claims 3, 4, 5 and 6 of U.S. Patent No. 3,959,530 is dismissed with prejudice.

4. The Fuller Automotive coatings do not infringe any of the claims of U.S. Patent No. 4,356,036 by literal infringement or under the Doctrine of Equivalents.

5. The BASF and Daubert coatings do not literally infringe claims 2, 3, 4 and 7 of U.S. Patent No. 4,356,-036.

6. The BASF and Daubert coatings do not infringe claim 7 of U.S. Patent No. 4,356,036 under the Doctrine of Equivalents.

7. Plaintiff's complaint of infringement of claim 7 of U.S. Patent No. 3,356,036 is dismissed with prejudice with respect to BASF and Daubert.

8. Plaintiff's complaint of infringement of U.S. Patent No.4,356,036 by Fuller Company and Fuller Automotive is dismissed with prejudice.

9. Daubert's coating Nox-Rust X-170 does not infringe U.S. Patent No. 4,356,036.

Dated:10/16/92 /s/ [Illegible]
UNITED STATES DISTRICT JUDGE

SO STIPULATED:

/s/ Alex Rhodes
Attorney for Plaintiff

/s/ Bernard J. Cantor
Attorney for Defendants
General Motors, BASF, H.B.
Fuller Company and H.B.
Fuller Automotive Products, Inc.

/s/ John A. Artz (10/14/92)
Attorney for Defendant
Daubert Industries, Inc.

APPENDIX D

General Motors Corporation Rule 29.2 Statement

STATEMENT PURSUANT TO
SUPREME COURT RULE 29.1

General Motors Corporation does not have a parent company. Its non-wholly owned subsidiaries that have issued shares to the public are identified below.

Publicly Traded Subsidiaries and Affiliates:

Isuzu Motors Ltd.
Suzuki Motor Corp.

Other Subsidiaries:

AC Bakony Kft.
Adela Investment Co. S.A.
AeroVironment, Inc.
AMBRAKE Corporation
Anadolu Otomotiv Sanayi VE Ticaret A.S.
Applied Intelligent Systems, Inc.
Aralmex, S.A. de C.V.
ARINC Incorporated
Asset Leasing GmbH
Aura S.r.l.
Autos y Maquinas del Ecuador S.A. (AYMESA)
Banque de Credit General Motors
Bujias Mexicanas, S.A. de C.V.
CAMI Automotive, Inc.
CEI Co., Ltd.
Calsonic Harrison Co., Ltd.
Carus Grundstucks-Vermietungsgesellschaft mbH & Co.
Object Kuno 65 KG
Carus Grnndstucks-Vermietungsgesellschaft mbH & Co.
Object Leo 40 KG

Other Subsidiaries, continued:

Centro Tecnico Herramental, S.A. de C.V.
Cilva Holdings Plc
Cimflex Teknowledge
Coalition Undertaking Remedial Efforts, Inc.
Colonial Mortgage Service Company of California
Comau Productivity Systems, Inc.
Compagnie des Faisceaux Tunisiens International S.A.
Compania Nacional de Direcciones Automotrices, S.A. de C.V.
Componentes Delfa, C.A.
Constructora Venezolana de Vehiculos, C.A.
Controladora General Motors, S.A. de C.V.
Convesco Vehicle Sales GmbH
DHB America Inc.
DHB-Componentes Automotivos S.A.
DRB s.a./n.v.
Daewoo Automotive Components, Ltd.
Delkor Battery Company, Ltd.
Detroit Diesel Corporation
Diavia S.r.I.
EDESA Societe Anonyme Holding
EPEC S.A.
Empresa Mixta GEMACVEN, S.A.
Freevale Limited
G. & F. Company
GM Nigeria Limited
G.M.A.C. Financiera de Columbia S.A. Compania de Financiamiento Comercial
General Motors Bankgesellschaft m.b.H.
General Motors Egypt, S.A.E.
General Motors France Automobiles S.A.
General Motors Hungary Automotive Distribution Limited Liability Company (aka General Motors Hungary (Distribution) Ltd.)

Other Subsidiaries, continued:

General Motors Hungary Automotive Manufacturing Limited Liability Company (aka General Motors Hungary (Manufacturing) Ltd.)
General Motors Kenya Limited
Genie Mecanique Zairois, S.A.R.L.
I.K. Coach Co., Ltd.
IBC Vehicles (Distribution) Limited
IBC Vehicles Limited
ITC Inland Teknik Oto Yan Sanayi Limited Sirketi
Ilmor Engineering, Inc.
Ilmor Engineering, Ltd.
Industries Mecaniques Maghrebines, S.A.
Industrija Delova Automobila, Kikinda
Isuzu-General Motors Australia Limited
Isuzu Motors Limited
Jinbei GM Automotive Co. Ltd.
Kabeltrommel GmbH & Co. KG
Kabelwerke Reinshagen GmbH
Kabelwerke Reinshagen Werk Berlin GmbH (aka Kabelwerke Reinshagen Berlin Plant GmbH)
Kabelwerke Reinshagen Werk Neumarkt GmbH (aka Kabelwerke Reinshagen Neumarkt Plant GmbH)
Macopel, S.A. de C.V.
Mecel AB
Metal Casting Technology, Inc.
Millbrook Pension Management Ltd.
National Car Rental System Inc.
New Cure, Inc.
New United Motor Manufacturing, Inc.
New Venture Gear, Inc.
Omnibus BB Transportes, S.A.
Opel-Automobilwerk Eisenach-PKW GmbH (a/k/a Opel-AWE GmbH)

Other Subsidiaries, continued:

Opel-Handler Versicherungsdienst GmbH
Opel-Wohnbau GmbH
P.T. Mesin Isuzu Indonesia
PDES, Inc.
PW-Allison Engines
Packard CTA Pty. Ltd.
Packard Electric Vas kft
Penske Transportation, Inc.
Perceptron, Inc.
Promotora de Partes Electricos Automotrices
Qual-Effic Services, Inc.
Robotic Vision Systems, Inc.
Ruedas de Aluminio, C.A.
Saab Automobile AB
Senalizacion y Accesorios del Automovil Yorka, S.L.
Shinsung Packard Company, Ltd.
Sociedad de Comercializacion Internacional Colmotores S.A.
Societe Francaise des Amortisseurs de Carbon S.A.
Subaru-Isuzu Automotive, Inc.
Sung San Company, Ltd.
Suzuki Motor Corporation
Truck and Bus Engineering U.K., Limited
United Australian Automotive Industries Limited
Uveral S.A.
Vanguarda Componentes Automotivos, S.A.
Vauxhall Motors (Finance) Plc
View Engineering, Inc.
Volvo GM Canada Heavy Truck Corporation
Volvo GM Heavy Truck Corporation
Woodbridge Foam Deutschland, GMBH

Other Subsidiaries, and Affiliates of Electronic Data Systems Corporation:

Aristacom International, Inc.
BSS Belgique
BSS Greece
BehaviorTech, Inc.
Beijing International Information Processing Company Limited
CAPSCO Software Canada, Ltd.
CLIOR
CLS Corporation
COGSYS Limited
Centigram Communications Corporation
China Management Systems Corporation
Comtrac Corporation
EDS Hellas
EDS-Scicon Defence Limited
Emperion Corporation
Europe Assurance Informatique
F.I.J. (France Informatique Juridique)
Federal Integrated Systems Corporation
First City Bancorporation of Texas, Inc.
GEST'HELP Huissier
GMB Belgique
Healthco Holding Corporation
Hitachi Data Systems Holding Corporation
Hospitality Franchise Systems, Inc.
Infosys
Institut des Techniques Avancees
Interpractice Systems, Inc.
Japan Systems Kabushiki Kaisha (aka Japan Systems K.K.)
LEA GP Incorporated
MCE

Other Subsidiaries, and Affiliates of Electronic Data Systems Corporation, continued:

Neodata Holdings, Inc.
Nippon EDS Co., Ltd. (aka Nippon EDS Kabushiki Kaisha)
Postal Buddy Corporation
PROGICAL
Riser Foods, Inc.
Simpad, Sociedad Anonima de Capital Variable (aka Simpad, S.A. de C.V.)
Soft-Switch, Inc.
Systems Control Technology, Inc.
Systems Technology Management Corporation
Telecommunications Data Services, Incorporated
The ASK Group, Inc.
Thomas Group, Inc.
Westcott Communications, Inc.
YLYS Informatique

Other Subsidiaries, and Affiliates of Hughes Aircraft Company:

ACCSCO S.A.
AMRAAM International Licensing Company
American Mobile Satellite Corporation
Comlinear Corporation
ELTRO GmbH
ELEKLUFT Elecktronic-und Luftfahrtgerate GmbH
Empresa Nacional de Optica S.A.
FLIR Systems, Inc.
First Portland Technology Corp.
Guiado y Control SA
HBH Company
HESI-FTIC Environmental Sciences, Inc.
Hughes Escorts Communications Limited

Other Subsidiaries, and Affiliates of Hughes Aircraft Company, continued:

Hughes-JVC Technology Corporation
Hughes-Kenwood RDSS, Inc.
Hughes-Pareto Research Partnership
Hughes Software Systems Private Limited
i-Logix Inc.
Interactive Entertainment, Inc.
International Electro-Optical Industry Anonim Sirketi
International Mobile Machines Corporation
Japan Communications Satellite Company, Inc.
Japan Satellite Communications Network Corporation
Microelectronics and Computer Technology Corporation
Nippon Avionics Co., Ltd.
Pacific Monolithics, Inc.
RALS (RAM Alternate Launcher System)
Satelitron S.A. de C.V.
Societe Lyonnaise d'Informatique Boursiers
Software Productivity Consortium, Inc.
Translant, Inc.
UKADGE Systems Limited

APPENDIX E

BASF Corporation Rule 29.1 Statement

BASF Corporation is a subsidiary of BASF Aktiengesellschaft of Ludwigshafen, Germany.

APPENDIX F

H.B. Fuller Rule 29.1 Statement

H.B. FULLER AND CONSOLIDATED SUBSIDIARIES
AS OF NOVEMBER 30, 1994

H.B. Fuller Company
Branches: Indonesia, Korea, Netherlands (LPD)
H.B. Fuller Company Puerto Rico, Inc.
H.B. Fullor International Inc.
Branches: Australia, Hong Kong, Singapore
ChemEquity, Inc.
ChemEquity Communications, Inc.
F.A.I. Trading Company
Fiber-Resin Corporation
H.B. Fuller Automotive Products, Inc.
Lombard Acquisition Corporation
H.B. Fuller Automotive Technology Systems, Inc.
Foster Products Corporation
TEC Incorporated
H.B. Fuller Licensing & Financing Inc.
Alreline, Inc.
Kativo Chemical Industries, S.A.
(See listing of subsidiaries on the following pages.)
Pinturas Centroamericanas Costa Rica S.A.
Mundo de Colores Pintica, S.A.
Pinturas Ecuatorianas, S.A.
Distribuidora Americana, S.A.
Glidden Panama S.A.
Glidden Avenida Nacional, S.A.
Glidden Colon, S.A.
Glidden Chitre, S.A.
Glidden David, S.A.
Glidden Bethania, S.A.

Glidden El Dorado, S.A.
Glidden Via Espana, S.A.
Glidden Chorrera, S.A.
Fabrica Pinturas Glidden, S.A.
H.B. Fuller Austria GesmbH
H.B. Fuller Belgium N.V./S.A.
Harved Oy
H.B. Fuller GmbH, Luneburg
Karl Sager, GmbH
H.B. Fuller GmbH, Munich
Isar-Rakoll Chemie, GmbH
H.B. Fuller France S.A.
H.B. Fuller Blattmann AG
H.B. Fuller Italia s.r.l.
H.B. Fuller SICAM S.p.A.
H.B. Fuller (Jersey) Limited
H.B. Fuller Nederland B.V.
Prakoll, S.A.
H.B. Fuller Sverigo AB
H.B. Fuller Holdings Limited
H.B. Fuller U.K. Limited
H.B. Fuller Coatings Limited
H.B. Fuller Canada, Inc.
H.B. Fuller Company Australia Pty. Ltd.
H.B. Fuller (China) Adhesives Ltd.
H.B. Fuller India Private Limited
H.B. Fuller Japan Company, Ltd.
H.B. Fuller Korea Co., Ltd.
H.B.F. Adhesives (Malaysia) Sdn. Bhd.
H.B. Fuller Company (N.Z.) Ltd.
H.B. Fuller Holdings (NZ) Ltd.
H.B. Fuller Powder Coatings (NZ) Ltd.
H.B.Fuller Powder Coatings Pty. Ltd.
H.B. Fuller (Philippines), Inc.
H.B. Fuller-Realty (Philippines) Company

H.B. Fuller Taiwan Company Ltd.
H.B. Fuller (Thailand) Co., Ltd.
Multi-Clean Products Pty. Ltd.
Multi-Clean (Lebanon) S.A.R.I.
H.B. Fuller Lebanon S.A.R.L.
Nippon Tilement Company, Ltd.

KATIVO CHEMICAL INDUSTRIES,
S.A. AND CONSOLIDATED SUBSIDIARIES
AS OF SEPTEMBER 30, 1994

Chemical Supply, S.A.
H.A. Fuller Argentina, S.A.
H.B. Fuller Latin America
H.B. Fuller Bolivia, Ltda.
H.B. Fuller Brasil, Ltda.
H.B. Fuller Brasil – Sul, I tda.
H.B. Fuller Chile, S.A.
H.B. Fuller Colombia, Ltda.
Kativo Costa Rica, S.A.
Kativo Comercial, S.A.
Reca Quimica, S.A.
H.B. Fuller Costa Rica, S.A.
Acrilicos de Centroamerica, S.A.
Alfombras Canon, S.A.
Analko, S.A.
Sinteticos, S.A.
Deco Tintas, S.A.
H.B. Fuller Dominicana, S.A.
H.B. Fuller Ecuador, S.A.
Inversiones Kem Supply, S.A.
Kativo de El Salvador, S.A.
Kativo Industrial de El Salvador, S.A.
H.B. Fuller El Salvador, S.A.

Deco Tintas de El Salvador, S.A.
Norchem, Ltda.
Kativo Comercial de Guatemala, S.A.
Compania Mercantil de Pinturas
Kativo de Guatemala, S.A.
Kiosko de Pinturas, S.A.
H.B. Fuller Guatemala, S.A.
Sinteticos de Guatemala, S.A.
Punlo de Viniles, S.A.
Alfombras Canon de Guatemala, S.A.
Kativo de Honduras, S.A.
Aerosoles de Centroamerica, S.A.
Alfombras Canon, S.A.
Comercial Punto de Viniles, S.A.
Kiosko Comercial, S.A.
Kativo Comercial, S.A.
Punto de Viniles, S.A.
Kiosko de Pinturas, S.A.
Fabrica de Pinturas Surekoto de Honduras, S.A.
Servicios e Inversiones de Honduras, S.A.
Deco Tintas De Honduras, S.A.
H.B. Fuller Honduras, S.A.
Comercial Fuller, S.A.
H.B. Fuller Mexico, S.A.
Industrias Kativo de Nicaragua, S.A.
Ditribuidora Industrial y Comercial, S.A.
H.B. Fuller Nicaragua, S.A.
Chemical Supply Corporation
Kativo de Panama, S.A.
Kativo Comercial, S.A.
Colorcentro, S.A.
Fuller Istmena, S.A.
Procesamientos Contables, S.A.
Alquileres Industriales, S.A.
Alfombras Canon, S.A.

Deco Tintas Comerciales, S.A.
H.B. Fuller Panama, S.A.
H.B. Fuller Comercial, S.A.
Deco Tintas de Panama, S.A.
Vigilia, S.A.
Sistema Integrados, S.A.
Chemical Supply Peruana, S.A.
H.B. Fuller Peru, S.A.
H.B. Fuller Uruguay, S.A.
H.B. Fuller Venezuela, S.A.